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THE W. T. GRIMM & CO.

MERGERSTAT® REVIEW

1982

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Editor

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MERGER AND ACQUISITION ANNOUNCEMENTS

Net merger and acquisition announcements* in 1982 declined 2% to 2,346 from the 2,395 reported for 1981. Within the last ten years, the annual net merger-acquisition count increased only twice. Following the record-breaking level of activity for 1969, mergers declined every year except for a 4% increase in 1972, a 1% gain during 1979 and a 27% advance in 1981.

NET MERGER - ACQUISITION ANNOUNCEMENTS
1963 — 1982

Year	Number	Year to Year Percentage Change
1963	1,361	
1964	1,950	+ 43%
1965	2,125	+ 9%
1966	2,377	+ 12%
1967	2,975	+ 25%
1968	4,462	+ 50%
1969	6,107	+ 37%
1970	5,152	- 16%
1971	4,608	- 11%
1972	4,801	+ 4%
1973	4,040	- 16%
1974	2,861	- 29%
1975	2,297	- 20%
1976	2,276	- 1%
1977	2,224	- 2%
1978	2,106	- 5%
1979	2,128	+ 1%
1980	1,889	- 11%
1981	2,395	+ 27%
1982	2,346	- 2%

Source: W. T. Grimm & Co.

Figure 1.

**The term net merger and acquisition announcements refers to completed or pending transactions as of the end of the applicable period. The W. T. Grimm & Co. Research Department records publicly announced transfers of ownership of at least 10%of a company's assets or equity. Divisional/partial sales must have a minimum purchase price of $500,000 to be included in the merger count.*

The driving force behind the skyrocketing merger pace of the 1960's was the strategy of diversification into unrelated businesses; i.e., the "conglomerate wave". A change in corporate strategy from the concept of unrelated diversification to the theory of "synergistic combinations" and sounder business consolidations brought about the long term declining trend of merger and acquisition activity.

Figure 2 presents a more in-depth survey of acquisition activity for the last five years. Net merger-acquisition announcements are segregated into four types of transactions. Quantities are supplied for each sector along with their respective percentages of total activity.

COMPOSITION OF ACQUISITION ANNOUNCEMENTS

1978 — 1982

		1978	1979	1980	1981	1982
	Divestitures	820 (39%)	752 (35%)	666 (35%)	830 (35%)	875 (37%)
Acquisitions of	Publicly Traded Sellers*	260 (12%)	248 (12%)	173 (9%)	168 (7%)	180 (8%)
	Privately Owned Sellers*	969 (46%)	1,049 (49%)	988 (52%)	1,330 (55%)	1,222 (52%)
	Foreign Sellers*	57 (3%)	79 (4%)	62 (4%)	67 (3%)	69 (3%)
	Total Announcements	2,106	2,128	1,889	2,395	2,346

*Acquisitions of entire companies.

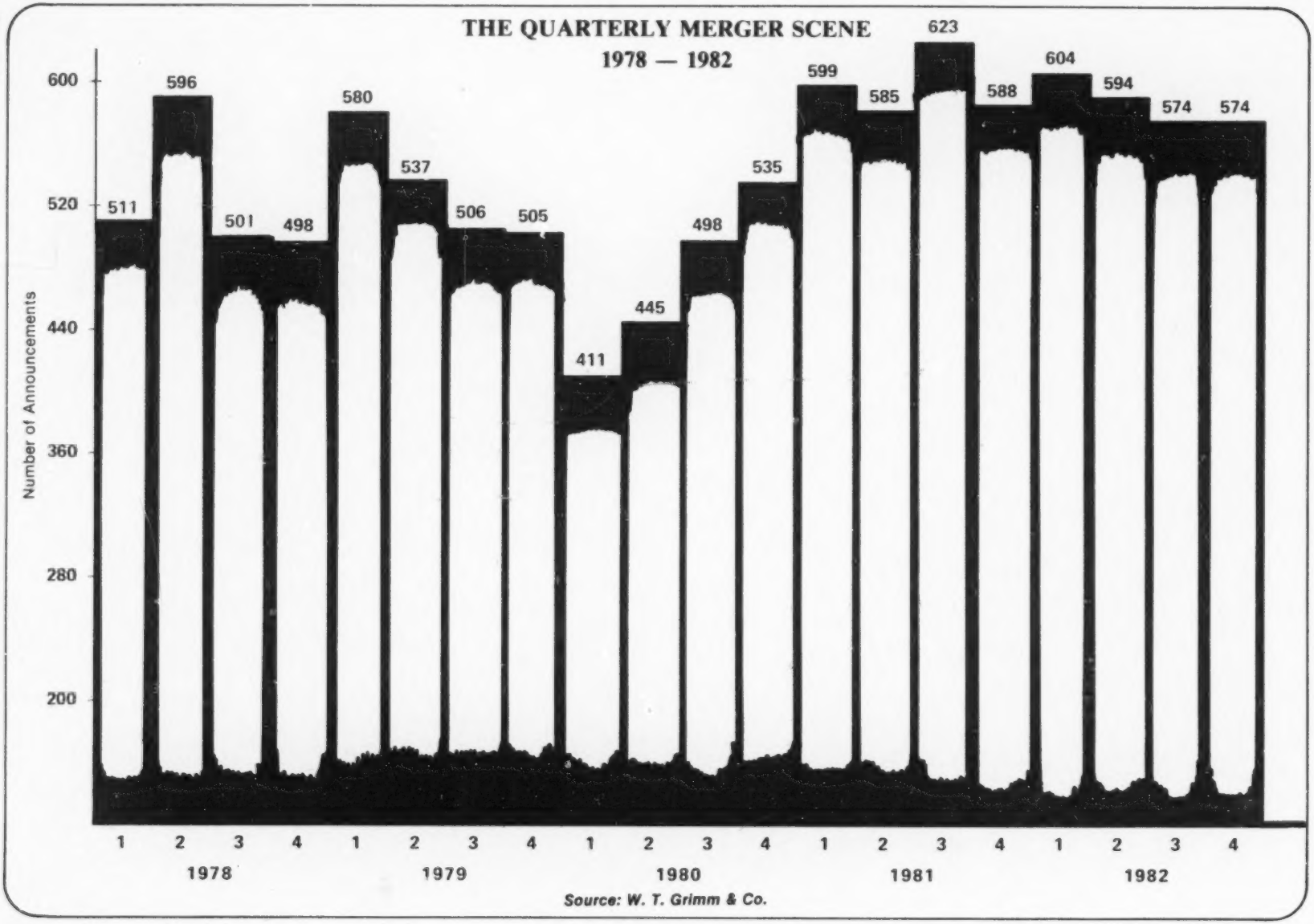
Source: W. T. Grimm & Co.

Figure 2.

As indicated in the above total, the bulk of the 27% increase in mergers for 1981 resulted from acquisitions of privately held companies, followed by divestitures. The "composition" data further indicates that the decline in 1982 acquisition activity was again limited to purchases of private concerns. (See page 53 for a discussion of acquisitions of privately owned firms.)

Acquisition activity held firm during the first half of 1982 with gains of 0.8% and 1.5% for the first and second quarters, respectively. By the last two quarters, mergers dropped 7.9% and 2.4%. The quarterly merger scene of the last five years is depicted in the subsequent graph.

Figure 3.


THE QUARTERLY MERGER SCENE
1978 — 1982
Number of Announcements
600
520
440
360
280
200
511
596
501
498
580
537
506
505
411
445
498
535
599
585
623
588
604
594
574
574
1 2 3 4 1 2 3 4 1 2 3 4 1 2 3 4 1 2 3 4
1978
1979
1980
1981
1982
Source: W. T. Grimm & Co.

TOTAL DOLLAR VALUE PAID

The total dollar value paid for the 930 transactions providing a purchase price in 1982 aggregated $53.8 billion, a 35% decline from the record breaking total of $82.6 billion tabulated for 1981. Dollar totals for 1980 and 1979 were $44.3 billion and $43.5 billion, respectively.

The current downturn in the dollar total was attributable to a noticeable absence of "mega-deals", primarily those billion dollar acquisitions of natural resources firms which dominated the 1981 merger scene. There were six transactions valued over one billion dollars during 1982, while 1981 witnessed 12 such transactions. Likewise, acquisitions with price tags of $500 million or more fell to 20 from 27 in 1981.

Completed or pending transactions having a purchase price of $100 million or more, however, rose slightly to 116 in 1982 from the 113 counted for 1981. Sizable divestitures gradually continue to constitute a larger portion of $100 million or more deals. (A discussion of divestitures appears on page 34.)

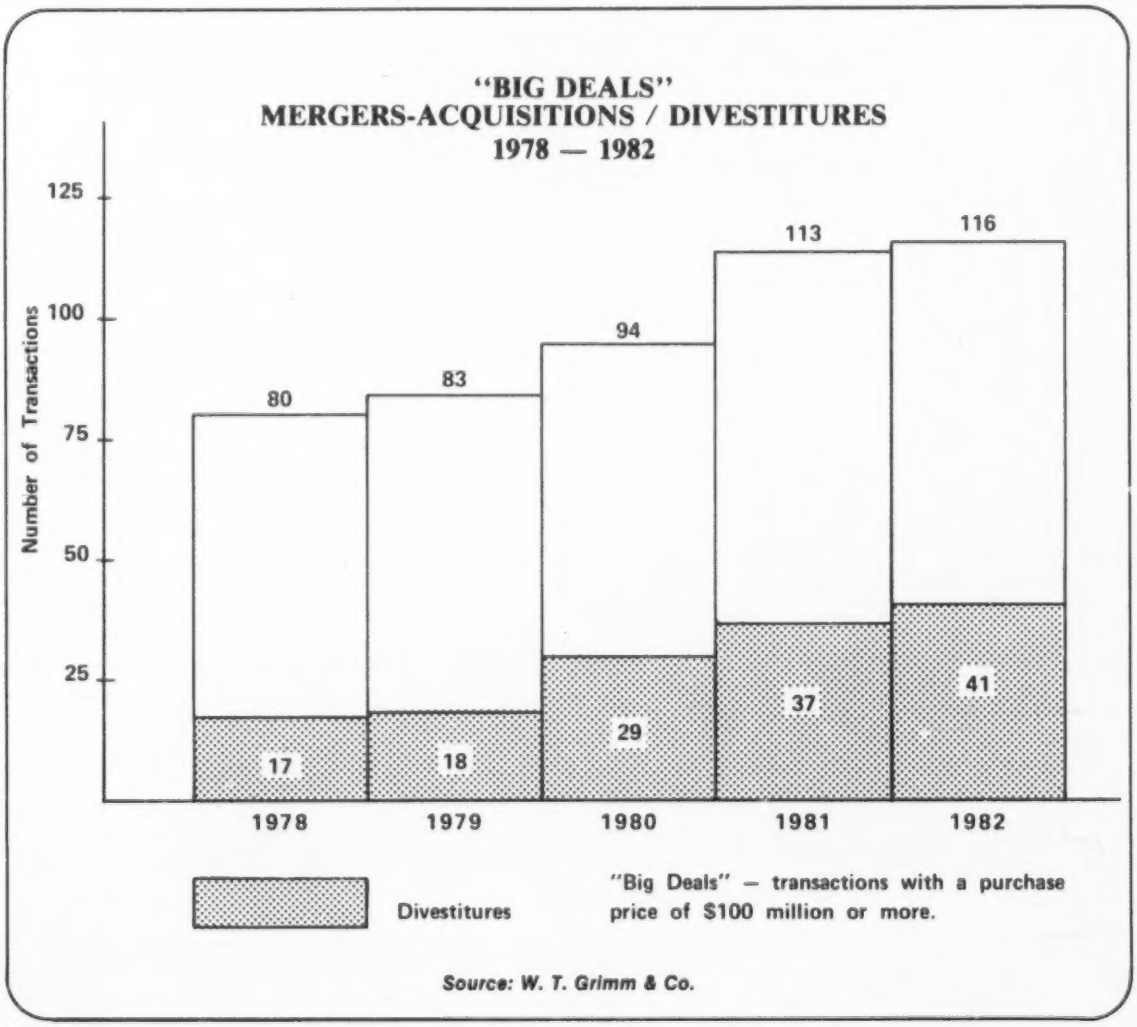


Figure 4.

The total dollar value paid for each of the four transaction groupings mentioned earlier is provided in the succeeding table. The dollar aggregate subsided in all of the categories.

COMPOSITION OF ACQUISITION ANNOUNCEMENTS
TOTAL DOLLAR VALUE PAID
(millions of dollars)

		1981	1982	% Change
Acquisitions of	Divestitures	$16,695.6	$16,050.3	- 4%
	Publicly Traded Sellers	56,569.4	31,501.8	- 44%
	Privately Owned Sellers	8,521.7	5,916.9	- 31%
	Foreign Sellers	830.9	285.5	- 66%
		$82,617.6	$53,754.5	- 35%

Source: W. T. Grimm & Co.

Figure 5.

Figure 6 charts the total dollar value paid since 1968 together with the number of transactions which disclosed a purchase price, thus, providing an average purchase price. The number of transactions with a price paid value of $100 million or more is also supplied.

AVERAGE PURCHASE PRICE
1968 — 1982

Year	Total Dollar Value Paid (millions of dollars)	Base	Average Purchase Price (millions of dollars)	Number of Transactions Valued at $100 million or more
1968	$43,609.0	1,514	$28.8	NA
1969	23,710.9	2,300	10.3	NA
1970	16,414.9	1,671	9.8	NA
1971	12,619.3	1,707	7.4	NA
1972	16,680.5	1,930	8.6	NA
1973	16,664.5	1,574	10.6	28
1974	12,465.6	995	12.5	15
1975	11,796.4	848	13.9	14
1976	20,029.5	998	20.1	39
1977	21,937.1	1,032	21.3	41
1978	34,180.4	1,071	31.9	80
1979	43,535.1	1,047	41.6	83
1980	44,345.7	890	49.8	94
1981	82,617.6	1,126	73.4	113
1982	53,754.5	930	57.8	116

Source: W. T. Grimm & Co.

Figure 6.

The average purchase price declined from 1968 to 1971. It, then, first climbed gradually through 1975 and finally soared during the last half of the 1970s and peaked in 1981. The effect of inflation can certainly not be minimized. However, during the last six or seven years much larger corporations entered the merger arena and participated in many of the largest deals in U. S. corporate history. The 100 largest transactions since 1968 are listed in the next few pages.

THE 100 LARGEST ACQUISITIONS
1968 — 1982

BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parenthesis.)*	Approximate Price Paid (Millions)	Year Announced
1. Du Pont Co. Conoco, Inc.	$8,039.8	1981
2. U.S. Steel Corp. Marathon Oil Co.	6,618.5	1981
3. Societe Nationale Elf Aquitaine — France Texasgulf, Inc.	4,293.7	1981
#4. Connecticut General Corp. INA Corp.	4,211.7	1981
5. Occidental Petroleum Corp. Cities Service Co.	4,115.6	1982
6. Shell Oil Co. Belridge Oil Co.	3,653.0	1979
7. Fluor Corp. St. Joe Minerals Corp.	2,694.2	1981
8. Seagram Co. Ltd. — Canada Conoco, Inc. (26%)	2,576.0	1981
9. Kuwait Petroleum Corp. — Kuwait Santa Fe Internaional Corp.	2,486.1	1981
#10. Kraft, Inc. Dart Industries, Inc.	2,400.0	1980
#11. Freeport Minerals Co. McMoran Oil & Gas Co.	2,319.9	1980
12. Sun Co., Inc. Seagram Co. Ltd. — Canada (Texas Pacific Oil Co.)	2,300.0	1980
13. Standard Oil Co. of Ohio Kennecott Corp.	2,061.3	1981
14. General Electric Co. Utah International Inc.	1,906.5	1975
#15. Nabisco, Inc. Standard Brands, Inc.	1,827.1	1981
#16. Southern Railway Norfolk & Western Railway	1,730.2	1980
17. Mobil Oil Corp. Marcor, Inc. *Mobil acquired 54% in 1974 and remaining interest in 1976	1,687.2	1974 & 1976
18. American General Corp. NLT Corp.	1,593.7	1982
19. Xerox Corp. Crum & Forster	1,572.3	1982
20. Dome Petroleum Ltd. — Canada Conoco, Inc. (20%) * Dome acquired 20% of Conoco shares through a cash tender offer. Conoco then agreed to sell its controlling interest in Hudson's Bay Oil & Gas to Dome for $1.68 billion which consisted of $245 million in cash and the 20% of Conoco shares Dome had acquired.	1,430.0	1981

Statutory Merger — Companies consolidate to form new entity; price paid determined by combining the respective market values of participants.

BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parenthesis.)*	Approximate Price Paid (Millions)	Year Announced
#21. Schering Corp. Plough, Inc.	1,428.6	1970
22. RCA Corp. C.I.T. Financial Corp.	1,350.0	1979
23. Allied Corp. Bendix Corp.	1,334.8	1982
24. R. J. Reynolds Industries, Inc. Heublein, Inc.	1,302.6	1982
25. Newmont Mining Corp., Williams Cos., et al Kennecott Copper Corp. (Peabody Coal Co.)	1,200.0	1976
26. Baldwin-United Corp. MGIC Investment Corp.	1,174.5	1981
27. Exxon Corp. Reliance Electric Co.	1,160.0	1979
28. Bendix Corp. Martin Marietta Corp. (70%)	1,118.3	1982
29. Smithkline Corp. Beckman Instruments, Inc.	1,045.1	1981
#30. Chessie Systems, Inc. Seaboard Coast Line Industries, Inc.	1,037.5	1978
31. Xerox Corp. Scientific Data Systems, Inc.	999.9	1969
32. American Express Co. Shearson Loeb Rhoades, Inc.	943.0	1981
33. Union Pacific Missouri Pacific Corp.	920.1	1980
34. Martin Marietta Corp. Bendix Corp. (50%)	892.5	1982
35. Canadian Pacific Enterprises Ltd — Canada International Paper Co. (Canadian International Paper Co.)	880.0	1981
36. Cooper Industries, Inc. Crouse-Hinds Co.	846.4	1980
37. United Technologies Corp. Carrier Corp. *Acquired 49% in 1978 and remaining interest in 1979	821.7	1978 & 1979
38. International Paper Co. Bodcaw Co.	805.0	1979
39. Mobil Corp. International Paper Co. (oil and gas operations of General Crude Co.)	800.0	1979
40. Occidental Petroleum Corp. Iowa Beef Processors, Inc.	791.4	1981
41. Petro-Lewis Corp. Du Pont Co. (certain Conoco assets)	772.0	1982
42. Signal Cos. Wheelabrator-Frye, Inc.	765.4	1982
43. J. Ray McDermott & Co. Babcock & Wilcox Co.	758.5	1977

Statutory Merger

BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parenthesis.)*	Approximate Price Paid (Millions)	Year Announced
44. Tenneco, Inc. Southwestern Life Corp.	$ 757.3	1979
45. GTE Corp. Southern Pacific Co. (communications units)	750.0	1982
46. Kroger Co. Dillon Cos.	748.6	1982
47. McGraw-Edison Co. Studebaker-Worthington, Inc.	727.8	1979
48. Mobil Corp. Esmark, Inc. (Trans Ocean Oil, Inc.)	720.0	1980
49. Allied Corp. & Continental Group Supron Energy Corp.	711.9	1982
50. Avon Products, Inc. Mallinckrodt, Inc.	709.5	1981
51. Penn Central Corp. GK Technologies, Inc.	699.6	1981
52. Marmon Group Trans Union Corp.	683.5	1980
53. Private — Marvin Davis Twentieth Century - Fox Film Corp.	683.4	1981
54. Hospital Corp. of America INA Corp. (Hospital Affiliates International)	650.0	1981
55. Westinghouse Electric Corp. Teleprompter Corp	645.6	1980
56. Coca-Cola Co. Columbia Pictures Industries, Inc.	629.7	1982
57. Cooper Industries, Inc. Gardner-Denver Co.	629.3	1979
58. Imperial Group Ltd. — Britain Howard Johnson Co.	618.5	1979
59. Aetna Life & Casualty Co. Geosource, Inc. (remaining 71%)	609.7	1982
60. Sears, Roebuck & Co. Dean Witter Reynolds Organization, Inc.	607.0	1981
61. Burlington Northern, Inc. El Paso Co. (additional 51%)	602.4	1982
62. Beatrice Foods Co. Northwest Industries, Inc. (beverage business)	600.0	1981
#63. Pittsburgh National Corp. Provident National Corp.	599.0	1982
64. Boise Cascade Corp. Ebasco Industries, Inc.	598.4	1969
65. Midland Bank Ltd. — Britain Crocker National Corp. (51%)	595.0	1980
66. CSR Ltd. — Australia Delhi International Oil Corp.	591.2	1981

Statutory Merger.

BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parenthesis.)*	Approximate Price Paid (Millions)	Year Announced
67. Allied Chemical Corp. Eltra Corp.	$ 587.7	1979
68. Wheelabrator-Frye, Inc. Pullman, Inc.	584.6	1980
69. R. J. Reynolds Industries, Inc. Del Monte Corp.	583.5	1978
70. Johns-Manville Corp. Olinkraft, Inc.	581.2	1978
71. Superior Oil Co. Canadian Superior Oil Ltd. (remaining 47%)	576.4	1979
72. Petro-Canada — Canada Phillips Petroleum Co. (its 48% interest in Pacific Petroleum Ltd.)	571.7	1978
73. Anheuser-Busch Cos. Campbell Taggart, Inc.	570.2	1982
74. Getty Oil Co. Reserve Oil & Gas Co.	564.5	1979
75. Marsh & McLennan Cos. C. T. Bowring & Co. — Britain	554.7	1980
76. Phibro Corp. Salomon Brothers	550.0	1981
77. Getty Oil Co. ERC Corp.	540.0	1980
78. Ontario Energy Resources Ltd. — Canada Sun Co. (25% of Suncor, Inc.)	539.5	1981
79. Morton-Norwich Products, Inc. Thiokol Corp.	538.0	1982
80. Apex Oil Co. Clark Oil & Refining Corp.	535.2	1981
81. R. J. Reynolds Industries, Inc. McLean Industries, Inc.	530.0	1969
82. Northwest Energy Co. Cities Service Co. (Cities Service Gas Co.)	530.0	1982
83. Grand Metropolitan Ltd. — Britain Liggett Group, Inc.	526.7	1980
84. Raytheon Co. Beech Aircraft Corp.	526.6	1979
85. Kennecott Copper Corp. Carborundum Co.	525.1	1977
86. R. J. Reynolds Industries, Inc. Burmah Oil Co. Ltd. — Britain (U.S. oil/gas operations)	520.0	1976
87. Mesa Petroleum Co. General American Oil Co. of Texas (additional 51%)	520.0	1982
88. NVF Co. UV Industries, Inc.	517.8	1979
89. Atlantic Richfield Co. Anaconda Co.	516.9	1976

Statutory Merger.

BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parenthesis.)*	Approximate Price Paid (Millions)	Year Announced
90. Philip Morris, Inc. Seven-Up Co.	$ 515.5	1978
91. Caterpillar Tractor Co. International Harvester Co. (Solar Turbines International division)	505.0	1981
92. Grand Metropolitan Ltd. — Britain Pan American World Airways (Intercontinental Hotels Corp.)	500.0	1981
93. Stroh Brewing Co. Jos. Schlitz Brewing Co.	494.1	1982
94. Tenneco, Inc. Houston Oil & Minerals Corp.	493.2	1980
95. Beatrice Foods Co. Tropicana Products, Inc.	488.6	1978
96. International Paper Co. General Crude Oil Co.	485.7	1974
97. Private — Saul P. Steinberg, Chairman Reliance Group, Inc. (remaining 60%)	483.0	1981
98. Unilever Group — Britain National Starch & Chemical Corp.	482.4	1977
99. Burmah Oil Co. Ltd. — Britain Signal Cos. (Signal Oil & Gas Co.)	480.0	1973
100. Allegheny International, Inc. Sunbeam Corp.	475.7	1981

Statutory Merger.

As indicated in the following breakdown, 50% of these large transactions occurred during the last two years.

TOP 100 DEALS SINCE 1968

Year	Number
1968	-
1969	3
1970	1
1971	-
1972	-
1973	1
1974	1
1975	1
1976	4
1977	3
1978	6
1979	15
1980	15
1981	29
1982	21

Average purchase prices for the "composition data" are presented in the subsequent figure. Clearly, the largest acquisitions are in the public sector. The 1982 average purchase price dropped in each category except for divestitures.

COMPOSITION OF ACQUISITION ANNOUNCEMENTS
AVERAGE PURCHASE PRICE

		Total Dollar Value Paid (millions of dollars) [Base]		Average Purchase Price (millions of dollars)	
		1981	1982	1981	1982
	Divestitures	$16,695.6 [366]	$16,050.3 [317]	$ 45.6	$ 50.6
Acquisitions of	Publicly Traded Sellers	56,569.4 [156]	31,501.8 [176]	362.6	179.0
	Privately Owned Sellers	8,521.7 [581]	5,916.9 [420]	14.7	14.1
	Foreign Sellers	830.9 [23]	285.5 [17]	36.1	16.8

Source: W. T. Grimm & Co.

Figure 7.

The following chart provides a distribution of transactions by the price paid value. The decline in smaller transactions is another indication of the drop in acquisitions of privately owned concerns.

VALUE OF DEALS
1979 — 1982

	Percent of Transactions Disclosing Price			
Price Paid Value	**1979**	**1980**	**1981**	**1982**
$5 million or less	36%	34%	35%	32%
$ 5.1 — 25.0 million	38%	36%	38%	36%
$25.1 — 99.9 million	18%	19%	17%	20%
$100 million or more	8%	11%	10%	12%

Source: W. T. Grimm & Co.

Figure 8.

The 100 largest completed or pending transactions of 1982 are listed in the following pages.

THE 100 LARGEST COMPLETED OR PENDING TRANSACTIONS
1982

	Buyer [business and / or product line]	Seller (if applicable, unit sold) [business and / or product line]	Approximate Price Paid *(millions)*
1.	**Occidental Petroleum Corp.** [oil/gas - chemicals - meat - coal]	**Cities Service Co.** [leading domestic integrated oil co.]	**$4,115.6**
2.	**American General Corp.** [insurance holding co.]	**NLT Corp.** [insurance holding]	**1,593.7**
3.	**Xerox Corp.** [copiers & other business/office equipment]	**Crum & Forster** [property - casualty insurance holding]	**1,572.3**
4.	**Allied Corp.** [chemicals - oil/gas - fibers - plastics - electronics]	**Bendix Corp.** [automotive prdts. - aerospace - electronics]	**1,334.8**
5.	**R. J. Reynolds Industries, Inc.** [tobacco - foods - shipping - energy]	**Heublein, Inc.** [wines - spirits - grocery prdts - KFC Chicken]	**1,302.6**
6.	**Bendix Corp.** [auto prdts. - aerospace - etc.]	**Martin Marietta Corp. (70%)** [aerospace - construction materials]	**1,118.3**
7.	**Martin Marietta Corp.**	**Bendix Corp. (50%)**	**892.5**
8.	**Petro-Lewis Corp.** [oil/gas]	**Du Pont Co.** (certain Conoco assets) [oil/gas]	**772.0**
9.	**Signal Cos.** [trucks - aerospace - engineering]	**Wheelabrator-Frye, Inc.** [engineering & construction - pollution control equipment]	**765.4**
10.	**GTE Corp.** [largest independent telephone system]	**Southern Pacific Co.** (communications units) [long distance phone service and a planned satellite system]	**750.0**
11.	**Kroger Co.** [second largest food chain]	**Dillon Cos.** [supermarkets & convenience stores]	**748.6**
12.	**Allied Corp. & Continental Group** [diversified]	**Supron Energy Corp.** [oil/gas exploration & development]	**711.9**
13.	**Coca-Cola Co.** [soft drinks & juices]	**Columbia Pictures Industries, Inc.** [motion pictures - games]	**629.7**
14.	**Aetna Life & Casualty Co.** [multiline insurance]	**Geosource, Inc.** (remaining 71%) [international oil/gas services & prdts.]	**609.7**
15.	**Burlington Northern, Inc.** [RR - oil/gas - mining]	**El Paso Co.** (additional 51%) [gas PL - oil/gas - chemicals]	**602.4**
#16.	**Pittsburgh National Corp.** [banking]	**Provident National Corp.** [banking]	**599.0**
17.	**Anheuser-Busch Cos.** [largest U.S. Brewer]	**Campbell Taggart, Inc.** [baked goods]	**570.2**
18.	**Morton-Norwich Products, Inc.** [salt/food - drugs - household chemicals]	**Thiokol Corp.** [specialty chemicals]	**538.0**
19.	**Northwest Energy Co.** [natural gas PL]	**Cities Service Co.** (Cities Service Gas Co.) [buys, sells & transports natural gas]	**530.0**
20.	**Mesa Petroleum Co.** [oil/gas]	**General American Oil Co. of Texas** (additional 51%) [oil/gas]	**520.0**

Statutory Merger

	Buyer [business and / or product line]	Seller (if applicable, unit sold) [business and / or product line]	Approximate Price Paid *(millions)*
21.	**Stroh Brewing Co.** [brewer]	**Jos. Schlitz Brewing Co.** [brewer]	$ 494.1
22.	**Warner-Lambert Co.** [drugs - toiletries - foods]	**Imed Corp.** [leading producer of electronic medical instruments]	465.0
23.	**Private Group**	**Signode Corp.** [steel & plastic strapping]	426.1
24.	**American Home Products Corp.** [drugs - food - candy]	**Brunswick Corp.** (Sherwood Medical) [syringes, needles, catheters & other medical devices]	425.0
25.	**James River Corp.** [specialty paper prdts.]	**American Can Co.** (Dixie towel & tissue & folding carton businesses)	420.0
26.	**Coca-Cola Co.** [soft drinks & juices]	**Associated Coca-Cola Bottling Co.** [soft drink mfr., distributor & packager]	417.5
27.	**Pacific Holding Corp.** [diversified hldg. co.]	**Cannon Mills Co.** [household textile prdts.]	412.8
28.	**Apache Corp.** [oil/gas producer]	**Dow Chemical Co.** (domestic oil/gas operations)	400.0
29.	**Procter & Gamble Co.** [consumer goods]	**Morton-Norwich Products, Inc.** (Norwich-Eaton Pharmaceuticals) [prescription drugs & over-the-counter prdts.]	371.0
30.	**B.A.T. Industries PLC-Britain** [retailing- tobacco - specialty papers]	**Marshall Field & Co.** [department stores]	365.2
31.	**Private Group**	**Purex Industries, Inc.** [bleaches - detergents - drugs - toiletries]	357.0
32.	**California Federal Savings & Loan Assoc.**	**Biscayne Federal Savings & Loan Assoc.** (8 of its 34 branches)	354.0
33.	**Richfield Holdings Ltd.** [newly formed investment group]	**Gulf & Western Industries, Inc.** (Providence Capital International Insurance Ltd. and Famous Players Realty Ltd.) [insurance & real estate holdings]	350.0
34.	**Private Group**	**Dillingham Corp.** [construction - energy - maritime - RE]	346.7
#35.	**Philadelphia National Corp.** [banking]	**National Central Financial Corp.** [banking]	339.5
36.	**General Dynamics Corp.** [aerospace - submarines]	**Chrysler Corp.** (Chrysler Defense, Inc.) [tanks]	336.1
37.	**Winterthur Swiss Ins. Co. — Switzerland** [international insurance & reinsurance co.]	**Republic Financial Services, Inc.** [property & casualty insurance & reinsurance]	320.5
38.	**General Foods Corp.** [leading mfr. of packaged foods]	**Warner-Lambert Co.** (Entenmann's, Inc.) [bakery]	315.0
39.	**AMCA International Ltd. — Canada** [structural steel fabricator]	**Giddings & Lewis, Inc.** [metal cutting & other machine tools]	312.8
40.	**Transamerica Corp.** [insurance - travel - equipment leasing]	**Fred S. James & Co.** [fourth largest insurance broker]	301.6
41.	**Interfirst Corp.** [banking]	**First United Bancorp.** [banking]	282.9

Statutory Merger.

	Buyer [business and / or product line]	Seller (if applicable, unit sold) [business and / or product line]	Approximate Price Paid *(millions)*
42.	**Private — Paul Kalmanovitz**	**Pabst Brewing Co.** [brewer]	$ 270.9
43.	**Ethyl Corp.** [industrial chemicals]	**First Colony Life Insurance Co.** [life, health & accident insurance]	268.7
44.	**Lone Star Industries, Inc.** [cement & concrete aggregates]	**Gulf & Western Industries, Inc.** (Marquette Co.) [cement producer]	267.0
45.	**American Can Co.** [containers - packaging - resource recovery - insurance]	**PennCorp Financial, Inc.** [life, health & accident insurance]	264.0
46.	**ALB Ventures**	**Arcata Corp.** [forest redwood lumber prdts. - containers - printing]	257.6
47.	**First City Financial Corp. — Canada** [financial services - RE - securities]	**Suburban Propane Gas Corp.** [propane marketing - oil/gas]	256.1
48.	**Private Group**	**Harris Corp.** (printing-equipment business)	250.0
49.	**International Business Machines Corp.** [largest mfr. business machines/ computers]	**Intel Corp.** (12%) [semiconductor memory circuits]	250.0
50.	**Fletcher Challenge Ltd. — New Zealand**	**Crown Zellerbach Corp.** (its 84% interest in Crown Zellerbach Canada Ltd. & Norsk Pacific Steamship) [pulp based prdts. - newsprint - lumber - hauler of cargo]	242.0
51.	**G. Heileman Brewing Co.** [brewer - bakery]	**Pabst Brewing Co.** [brewer]	241.3
52.	**Proco Holding Corp.** [newly formed investment group]	**Suburban Propane Gas Corp.** [propane marketing, etc.]	237.6
53.	**Aberford Resources Ltd. — Canada** [natural resources]	**Marathon Oil Co.** (Marathon Petroleum Canada Ltd. & Pan Ocean Oil Ltd.) [oil & gas]	225.0
54.	**Mellon National Corp.** [banking]	**Girard Co.** [banking]	223.7
55.	**Air Products & Chemicals, Inc.** [industrial gases & equipment - chemicals]	**Stearns-Roger Corp.** [engineering & construction]	210.0
56.	**Fednav Ltd. — Canada** [major international shipping co.]	**U.S. Steel Corp.** (50% of Navios Corp.) [ocean shipping]	200.0
57.	**North American Philips Corp.** [electrical & electronic equipment]	**Westinghouse Electric Corp.** (light-bulb & lamp business)	200.0
58.	**Republic Health Corp.** [owns/operates hospitals]	**Hospital Corp. of America** (18 hospitals)	200.0
59.	**Aetna Life & Casualty Co.** [multiline insurance]	**Federated Investors, Inc.** [leading manager of institutions' money]	195.9
60.	**Asahi Chemical Industry Co. Ltd. — Japan** [chemicals]	**Dow Chemical Co.** (its 50% interest in Asahi-Dow Ltd.) [chemicals]	185.0
61.	**Pittston Co.** [hldg. co.: coal - oil - Brinks - leasing]	**Burlington Northern, Inc.** (Burlington Northern Air Freight, Inc.) [second largest forwarder of air freight]	177.0

Statutory Merger.

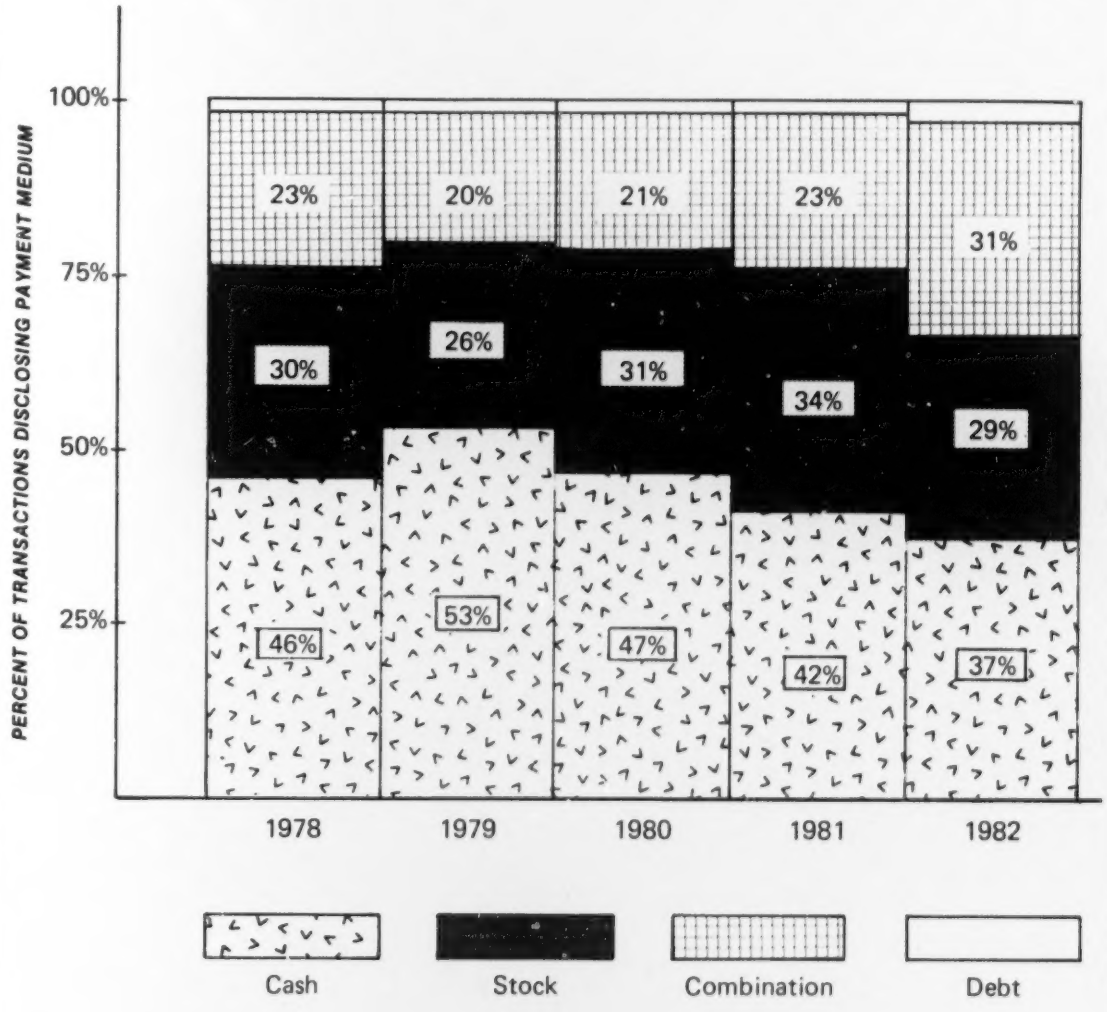
	Buyer [business and / or product line]	Seller (if applicable, unit sold) [business and / or product line]	Approximate Price Paid *(millions)*
62.	**ConAgra, Inc.** [bakery flour - feeds - poultry]	**Peavey Co.** [flour milling & production]	$ 177.0
63.	**Petro-Lewis Corp.** [oil/gas]	**Fluor Corp.** (certain domestic oil & gas producing properties)	174.0
64.	**Nabisco Brands, Inc.** [diversified line of food prdts.]	**Huntley & Palmer Foods PLC - Britain** [food]	168.0
65.	**American Brands, Inc.** [tobacco - hardware - insurance]	**Pinkerton's, Inc.** [security services & investigations]	165.5
66.	**Bankers Trust New York Corp.**	**Reeves Brothers, Inc.** [textiles - foam - fabrics]	165.4
67.	**Mercantile House PLC - Britain** [foreign - exchange brokerage - commodities]	**Oppenheimer Holdings, Inc.** [securities - mutual funds - mgmt. pension funds]	162.5
68.	**F. Hoffman-LaRoche & Co. — Switzerland** [pharmaceuticals]	**Biomedical Reference Laboratories, Inc.** [lab testing services]	160.5
69.	**Diamond Shamrock Corp.** [oil/gas - chemcials - coal]	**Sigmor Corp.** (remaning 80%) [gasoline retailer]	160.0
70.	**Damson Oil Corp.** [oil/gas]	**Petroleum Corp. of Texas** (certain assets)	160.0
#71.	**American Bancorp, Inc.** [banking]	**Central Penn National Corp.** [banking]	159.4
72.	**Sharon Steel Corp.** [integrated steel producer]	**Evans Products Corp.** [building & transportation prdts.]	155.0
73.	**Dyson-Kissner-Moran Corp.** [investment co.]	**Criton Corp.** [architectural, aerospace & electronic prdts.]	150.5
74.	**Government of France**	**Honeywell, Inc.** (27% interest in French state-controlled CII - Honeywell Bull)	150.0
75.	**IC Industries, Inc.** [consumer prdts. - foods - RR]	**William Underwood Co.** [specialty foods: meat spreads, sardines, baked beans]	150.0
76.	**Kuwait Petroleum Corp. - Kuwait** [oil/gas]	**Andover Oil Co.** [oil/gas]	150.0
77.	**Interocean Steamship Corp.** [newly formed co.]	**LTV Corp.** (Lykes Bros. Steamship Co.) [ocean shipping]	150.0
78.	**American Can Co.** [containers - pkg. - etc.]	**Transport Life Insurance Co.** [life, accident & health insurance]	144.7
79.	**Metromedia, Inc.** [TV & radio broadcasting]	**Field Enterprises, Inc.** (WFLD-TV, Chicago)	140.0
80.	**Private Group**	**Stokely-Van Camp, Inc.** [canned & frozen foods]	136.0
81.	**Trane Co.** [air conditioning & heating equipment]	**General Electric Co.** (central air-conditioning business)	135.0
82.	**NCNB Corp.** [banking]	**Exchange Bancorp.** [banking]	134.0
83.	**Combined International Corp.** [insurance hldg.]	**Ryan Insurance Group, Inc.** [insurance hldg.]	126.9

Statutory Merger.

	Buyer [business and / or product line]	Seller (if applicable, unit sold) [business and / or product line]	Approximate Price Paid *(millions)*
84.	**Western Union Corp.** [telegraph system]	**E. F. Johnson Co.** [mobile telecommunications parts & other electronic parts]	$ 125.5
85.	**First Interstate Bancorp.** [banking]	**Intrawest Financial Corp.** (Intra West Bank of Denver) [banking]	125.0
86.	**Lloyds Bank Ltd. — Britain** [banking]	**Marsh & McLennan Cos.** (Bowmaker Ltd.) [credit-finance]	124.4
87.	**Banc One Corp.** [banking]	**Winters National Corp.** [banking]	122.1
88.	**Waste Management, Inc.** [solid/chemical waste management services]	**Chem-Nuclear Systems, Inc.** [nuclear/industrial waste systems]	121.6
89.	**Pfizer, Inc.** [pharmaceuticals - cosmetics]	**Valleylab, Inc.** [electro surgical systems & accessories]	121.0
90.	**American Hospital Supply Corp.** [hospital/lab supplies & equipment]	**Dow Chemical Co.** (Bio-Sciences Enterprises) [clinical testing labs]	120.0
91.	**Farley Industries** [coal - health foods - graphic arts]	**NL Industries, Inc.** (metal-products business) [parts & tooling for auto industry]	120.0
92.	**Best Products Co.** [largest merchandiser]	**Modern Merchandising, Inc.** [catalog showrooms]	118.8
93.	**Ogden Corp.** [transportation - ind'l. prdts. - foods - shipbuilding]	**Allied Maintenance Corp.** [building maintenance services]	116.7
94.	**Private Group**	**Questor Corp.** (remaining 85%) [diversified mfr. of consumer prdts.]	116.0
95.	**Private Group**	**Williamhouse-Regency, Inc.** [fine paper]	115.4
96.	**Aetna Life & Casualty Co.** [multiline insurance]	**Samuel Montagu & Co. — Britain** (40%) [merchant banking]	115.0
97.	**Private Group**	**Dentsply International, Inc.** [dental supplies & equipment]	114.1
98.	**National City Lines, Inc.** [transportation - auto prdts. - RE]	**Amalgamated Sugar Co.** [domestic beet sugar producer]	112.1
99.	**Combined International Corp.** [insurance hldg.]	**Rollins Burdick Hunter Co.** [insurance brokerage & agency]	109.0
100.	**Westinghouse Electric Corp.** [electrical equipment - nuclear power]	**Unimation, Inc.** [major producer of industrial robots]	107.1

Statutory Merger.

PAYMENT TRENDS
1978 — 1982



Source: W. T. Grimm & Co.

Figure 9.

* ***Historical Note***

Cash has been the dominant form of payment since 1974, when the Dow Jones Industrial Average plunged to a low of 577.60. Corporate acquirers were no longer able to offer a favorable stock package to prospective sellers as they often did in the late 1960s. The exchange of stock had been the primary means of payment from 1967 to 1973, but had been declining since 1968. *(See page 70 for Historical Data Checklist)*

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The following table compares the various forms of payment with respect to the dollar value of the transaction.

FORMS OF PAYMENT
COMPARISON BY VALUE OF DEALS
1979 — 1982

	Percent of Transactions Disclosing Payment Medium							
	Cash				Stock			
Price Paid Value	1979	1980	1981	1982	1979	1980	1981	1982
Under $25 million	49%	46%	41%	39%	33%	34%	39%	29%
$25.1 - 50.0 million	67%	55%	52%	41%	15%	26%	29%	23%
$50.1 - 100.0 million	62%	63%	54%	5('	15%	19%	25%	15%
Over $100 million	50%	44%	49%	54%	13%	27%	18%	17%
	Combination				Debt			
Under $25 million	17%	18%	18%	29%	1%	2%	2%	3%
$25.1 - 50.0 million	17%	18%	17%	33%	1%	1%	2%	3%
$50.1 - 100.0 million	22%	17%	19%	35%	1%	1%	2%	- -
Over $100 million	36%	28%	32%	29%	1%	1%	1%	- -

Source: W. T. Grimm & Co.

Figure 10.

INDUSTRY HIGHLIGHTS

In reviewing merger and acquisition totals for the 50 WTG Research Department industry classifications, we found all but 21 had experienced a slowdown in activity. Among the 21 categories, 19 witnessed an increase in merger - acquisition - divestiture announcements, while two remained unchanged.

A ranking of the 50 industries in terms of both the number of transactions and the total dollar value paid follows.

Based on the number of transactions, industry classifications which advanced considerably in rank were Communications (rose from a rank of 32 to 19), Beverages (39 to 27), and Brokerage, Investment & Management Consulting Services (20 to 11). Conversely, Energy Services which ranked third in 1981 plunged to the 26th position. Valves, Pumps & Hydraulics dropped from 25 to 46.

RANKING OF INDUSTRY CLASSIFICATIONS
NUMBER OF TRANSACTIONS
1982

Rank 1981	Rank 1982	Industry Classification of Seller	Number of Transactions 1981	Number of Transactions 1982	Percent Change
1	1	Banking & Finance	335	426	+ 27%
3	2	Miscellaneous Services	107	126	+ 18%
2	3	Wholesale & Distribution	124	124	—
5	4	Industrial & Farm Equipment & Machinery	92	90	- 2%
7	5	Retail	87	86	- 1%
6	6	Insurance	89	81	- 9%
9	7	Oil & Gas	76	80	+ 5%
8	8	Computer Software, Supplies & Services	87	75	- 14%
13	9	Electronics	60	63	+ 5%
14	10	Drugs, Medical Supplies & Equipment	55	58	+ 5%
20	11	Brokerage, Investment & Management Consulting Services	46	56	+ 22%
11	12	Chemicals, Paints & Coatings	62	55	- 11%
10	13	Food Processing	69	52	- 25%
11	14	Instruments & Photographic Equipment	62	51	- 18%
18	15	Electrical Equipment	48	49	+ 2%
15	16	Printing & Publishing	54	48	- 11%
19	17	Broadcasting	47	47	—
16	18	Health Services	51	44	- 14%
32	19	Communications	27	42	+ 56%
16	19	Leisure & Entertainment	51	42	- 18%
28	21	Miscellaneous Manufacturing	30	41	+ 37%
25	22	Transportation	31	40	+ 29%
23	23	Fabricated Metal Products	39	37	- 5%
21	24	Construction Contractors & Engineering Services	41	34	- 17%
30	25	Toys & Recreational Products	28	33	+ 18%
3	26	Energy Services	107	32	- 70%
39	27	Beverages	19	31	+ 63%
22	27	Mining & Minerals	40	31	- 23%
25	29	Real Estate	31	30	- 3%
30	30	Building Products & Materials	28	27	- 4%
41	30	Plastics & Rubber	18	27	+ 50%
32	32	Office Equipment & Computer Hardware	27	26	- 4%
24	33	Primary Metal Processing	34	25	- 26%
32	34	Household Goods	27	22	- 19%
39	34	Automotive Products & Accessories	19	22	+ 16%
28	36	Construction, Mining & Oil Field Equipment & Machinery	30	19	- 37%
36	37	Apparel	24	17	- 29%
37	37	Textiles	23	17	- 26%
35	37	Stone, Clay & Glass	25	17	- 32%
37	40	Packaging & Containers	23	16	- 30%
45	41	Paper	11	15	+ 36%
42	41	Aerospace, Aircraft & Defense	17	15	- 12%
48	43	Conglomerate	7	14	+ 100%
47	44	Furniture	8	13	+ 63%
46	45	Electrical, Gas, Water & Sanitary Services	10	12	+ 20%
25	46	Valves, Pumps & Hydraulics	31	10	- 68%
50	47	Toiletries & Cosmetics	1	9	+ 800%
42	48	Agricultural Production	17	8	- 53%
48	49	Autos & Trucks	7	6	- 14%
44	50	Timber & Forest Products	13	5	- 62%
		Total	2,395	2,346	- 2%

RANKING OF INDUSTRY CLASSIFICATIONS
DOLLAR VALUE PAID
1982

Rank 1981	Rank 1982	Industry Classification of Seller	Dollar Value (millions) 1981	1982
1	1	Oil & Gas	$22,921.6	$ 9,165.5
3	2	Insurance	7,862.5	5,717.8
4	3	Banking & Finance	4,204.4	5,605.3
18	4	Conglomerate	809.4	3,973.6
5	5	Food Processing	3,800.0	3,075.2
9	6	Retail	1,844.4	1,948.1
23	7	Drugs, Medical Supplies & Equipment	707.5	1,915.1
22	8	Beverages	748.6	1,880.9
39	9	Aerospace, Aircraft & Defense	164.4	1,577.1
10	10	Industrial & Farm Machinery & Equipment	1,822.3	1,485.6
8	11	Leisure & Entertainment	2,150.4	1,082.1
31	12	Transportation	475.3	1,074.4
11	13	Health Services	1,553.4	1,049.4
14	14	Chemicals, Paints & Coatings	1,250.1	1,011.5
25	15	Communications	660.7	929.6
7	16	Brokerage, Investment & Management Consulting Services	2,766.5	860.9
19	17	Miscellaneous Services	801.0	859.8
47	18	Textiles	83.9	792.2
15	19	Broadcasting	1,060.1	787.2
48	20	Electrical, Gas, Water & Sanitary Services	11.6	751.1
6	21	Energy Services	3,303.5	665.2
34	22	Electrical Equipment	375.7	603.7
16	23	Paper	923.8	595.4
12	24	Electronics	1,497.0	552.9
24	25	Timber & Forest Products	685.4	499.8
28	26	Stone, Clay & Glass	523.0	463.8
26	27	Household Goods	637.9	390.6
21	28	Office Equipment & Computer Hardware	754.4	389.1
20	29	Wholesale & Distribution	761.3	358.1
2	30	Mining & Minerals	10,850.6	355.2
33	31	Real Estate	419.4	303.4
17	32	Fabricated Metal Products	821.2	299.3
42	33	Miscellaneous Manufacturing	151.2	271.4
27	34	Construction Contractors & Engineering Services	547.6	256.0
43	35	Agricultural Production	132.6	235.6
40	36	Apparel	156.8	230.8
44	37	Toys & Recreational Products	130.5	203.4
50	38	Toiletries & Cosmetics	--	203.2
32	39	Computer Software, Supplies & Services	438.7	195.5
45	40	Construction, Mining & Oil Field Equipment	114.3	190.9
37	41	Packaging & Containers	235.8	171.8
30	42	Primary Metal Processing	482.8	167.4
41	43	Printing & Publishing	155.9	129.4
36	44	Automotive Products & Accessories	300.9	109.4
13	45	Instruments & Photographic Equipment	1,384.6	80.1
46	46	Building Products & Materials	96.9	75.2
29	47	Valves, Pumps & Hydraulics	486.7	65.9
35	48	Autos & Trucks	306.5	61.3
38	49	Plastics & Rubber	232.6	48.5
49	50	Furniture	5.9	39.8
		Total	$82,617.6	$53,754.5

FOREIGN BUYERS

Acquisitions of American-held firms by foreign corporations dropped 34% to 154 transactions from 234 in 1981. Foreign buyers refrained from their usual aggressiveness. Owing to the widespread recession, most growth plans were postponed. Moveover, the strength of the U.S. dollar added to the cost of American purchases.

Based on the 81 transactions supplying a purchase price during 1982, foreign companies paid a total of $5.1 billion for U.S. concerns, down considerably from the $18.8 billion tabulated in 1981. (The 1981 dollar total should be regarded as an aberration due to the substantial number of high-priced deals in the natural resources industry prompted by Canada's energy policies.)

Foreign acquirers have played a significant role in the U.S. merger scene. Like their American counterparts, foreign managements also relied on acquisition strategies to invest in growth sectors, expand markets, and/or secure desired diversification.

In contrast to their own political and economic environment, foreign corporations are attracted to the relative stability of the United States. More important, acquisitons of U.S. companies enable foreign firms to enter the world's largest single homogenous market.

FOREIGN ACQUISITIONS OF U.S. COMPANIES
1972 — 1982

Year	Number of Transactions	Total Dollar Value Paid* (billions of dollars)	Average P/E* Ratio Paid	Average Premium* Paid Over Market
1972	88	#	#	#
1973	143	#	#	#
1974	173	#	#	#
1975	184	#	#	#
1976	178	$ 2.4	12.7X	41.6%
1977	162	3.1	15.9X	49.7%
1978	199	6.3	14.0X	50.5%
1979	236	5.8	20.9X	56.9%
1980	187	7.1	13.6X	55.1%
1981	234	18.8	14.4X	46.6%
1982	154	5.1	15.7X	42.1%

* Based on those transactions supplying data.

Such data not collected in that year.

Source: W. T. Grimm & Co.

Figure 11.

As indicated in the preceding figure, the presence of foreign purchasers intensified during the late 1970s. The foreign influx initially consisted of large multinational competitors of U.S. companies. They were then followed by medium and small firms which viewed the U.S. economy as a dynamic source for growth opportunities. Facing diminished market growth for their businesses, foreign companies established investments here that would provide an entry for their product lines.

Foreign acquisitions peaked in 1979. At the same time, the average price earnings ratio paid and the average premium paid over market also crested. In 1979, a number of U.S. companies offering brand name products and services were acquired by foreign firms. They included Lawry's Foods, Jovan, Tappan, Howard Johnson, Maremont, A.B. Dick and others.

A distribution of foreign acquisitions of American companies by the price paid value for the last four years is compared to the overall price paid distribution in Figure 12. Note the higher percentages among the larger values. Since most foreign acquirers are concerned with penetrating the U.S. market, they tend to purchase larger companies. Foreign buyers were involved in 14 of the top 100 deals since 1968. Foreign firms must be able to overcome differences in cultural and business environments. Thus, it is important that they acquire larger concerns with strong American managements.

FOREIGN ACQUISITIONS OF U.S. COMPANIES
PRICE PAID DISTRIBUTION
1979 — 1982

	Percent of Transactions Disclosing Purchase Price			
Price Paid Value	**1979**	**1980**	**1981**	**1982**
$ 5 million or less	18%	13%	21%	17%
$ 5.1 — 25.0 million	44%	39%	35%	28%
$25.1 — 100.0 million	30%	30%	25%	35%
Over $100 million	8%	18%	19%	20%
OVERALL DISTRIBUTION				
$5 million or less	36%	34%	35%	32%
$ 5.1 — 25.0 million	38%	36%	38%	36%
$25.1 — 100.0 million	18%	19%	17%	20%
Over $100 million	8%	11%	10%	12%

Source: W. T. Grimm & Co.

Figure 12.

Because foreign companies require American managements to remain, they lay emphasis upon friendly takeovers. Thus, foreign buyers tend to pay higher premiums.

AVERAGE PREMIUM PAID OVER MARKET
COMPARISON OF FOREIGN & OVERALL
1976 — 1982

	Average Premium Paid Over Market						
	1976	**1977**	**1978**	**1979**	**1980**	**1981**	**1982**
Foreign Acquistions of U.S. Companies	41.6%	49.7%	50.5%	56.9%	55.1%	46.6%	42.1%
All Acquisitions	40.4%	40.9%	46.2%	49.9%	49.9%	48.0%	47.4%

Source: W. T. Grimm Co.

Figure 13.

The 25 largest transactions of 1982 involving foreign buyers are listed in Figure 14; thirteen deals of the 25 made the top 100 list of 1982.

FOREIGN BUYERS
THE 25 LARGEST TRANSACTIONS
1982

Foreign Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid (millions)
1. **B.A.T. Industries PLC - Britain** [retailing - tobacco - specialty papers]	**Marshall Field & Co.** [department stores]	$365.2
2. **Winterthur Swiss Insurance Co. - Switzerland** [int'l. insurance & reinsurance]	**Republic Financial Services, Inc.** [property/casualty insurance & reinsurance]	320.5
3. **AMCA International Ltd. - Canada** [structural steel fabricator]	**Giddings & Lewis, Inc.** [metal cutting & other machine tools]	312.8
4. **First City Financial Corp. - Canada** [fin'l. services - RE - securities]	**Suburban Propane Gas Corp.** [propane marketing - oil/gas]	256.1
5. **Fletcher Challenge Ltd. - New Zealand**	**Crown Zellerbach Corp.** (its 84% interest in Crown Zellerbach Canada Ltd. and Norsk Pacific Steamship) [pulp based products - newsprint - lumber - hauler of cargo]	242.0
6. **Aberford Resources Ltd. — Canada** [natural resources]	**Marathon Oil Co.** (Marathon Petroleum Canada Ltd. and Pan Ocean Oil Ltd.) [oil/gas]	225.0
7. **Fednav Ltd. — Canada** [major int'l. shipping co.]	**U.S. Steel Corp** (50% of Navios Corp.) [ocean shipping]	200.0
8. **Asahi Chemical Industry Co. Ltd. - Japan** [chemicals]	**Dow Chemical Co.** (its 50% interest in Asahi - Dow Ltd.) [chemicals]	185.0
9. **Mercantile House PLC - Britain** [foreign-exchange brokerage - commodities]	**Oppenheimer Holdings, Inc.** [securities - mutual funds - mgmt. pension funds]	162.5
10. **F. Hoffman - La Roche & Co. Switzerland** [pharmaceuticals]	**Biomedical Reference Laboratories, Inc.** [lab testing services]	160.5
11. **Government of France**	**Honeywell, Inc.** (27% interest in French State controlled CII -Honeywell Bull)	150.0
12. **Kuwait Petroleum Corp. - Kuwait** [oil/gas]	**Andover Oil Co.** [oil/gas]	150.0
13. **Lloyds Bank Ltd. - Britain** [banking]	**Marsh & McLennan Cos.** (Bowmaker Ltd.) [credit-finance]	124.4

(continuned on following page)

Foreign Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid (millions)
14. **BOC Group - Britain** [industrial gases, equipment & services]	**Glasrock Medical Services Corp.** (80% of its assets) [home medial services]	$102.0
15. **Deanlake Investments Ltd. - Hong Kong** [a group of investors]	**Allright Auto Parks, Inc.** [world's largest parking lot owner/operator]	101.6
16. **Beecham Group - Britain** [human & veterinary pharmaceuticals]	**Nabisco Brands, Inc.** (J. B. Williams Co.) [toiletries - proprietary medical products]	100.0
17. **Whitbread & Co. - Britain** [a major British brewer]	**Nabisco Brands, Inc.** (Julius Wile Sons & Co.) [wines & spirits]	96.3
18. **Cooperative Energy Corp. - Canada**	**Sabine Corp.** (all Canadian assets) [oil/gas producing properties & undeveloped acres]	84.5
19. **Jefferson Smurfit Group - Ireland** [paper - packaging]	**Diamond International Corp.** (packaging, container, paperboard & graphic arts divisions)	80.0
20. **British Aerospace PLC - Britain**	**Sperry Corp.** (Sperry Gyroscope) [gyrocompasses]	79.9
21. **Montedison International Holding Co. Switzerland**	**Kallestad Laboratories, Inc.** [diagnostic test kits]	76.9
22. **AB Volvo — Sweden** [automobiles]	**Hamilton Brothers Petroleum Corp. (25%)** [oil/gas production - gas PL]	75.8
23. **Canada Development Corp. - Canada** [hldg. co.: oil-mining - office equipment - chemicals]	**Savin Corp. (57.2%)** [office copiers]	74.7
24. **Redland PLC - Britain** [building materials - quarries - road surfacing]	**Boston Industries Corp.** [limestone quarrying]	70.4
25. **Northern Foods Ltd. - Britain**	**Keystone Foods Corp.** [major food supplier to McDonalds]	68.9

Source: W. T. Grimm & Co.

Figure 14.

Foreign acquirers were attracted to the following industries during 1982.

INDUSTRIES ATTRACTING FOREIGN BUYERS
1982

Rank 1982	Seller Industry Category	Number of Transactions 1981	1982
1	Banking & Finance	13	10
2	Chemicals, Paints & Coatings	11	9
3	Wholesale & Distribution	12	9
4	Insurance	8	8
5	Beverages	2	7
6	Industrial & Farm Equipment & Machinery	19	7
7	Oil & Gas	16	7
8	Miscellaneous Services	6	7
9	Printing & Publishing	12	5
10	Mining & Minerals	6	5
11	Retail	8	5
12	Food Processing	9	4
13	Drugs, Medical Supplies & Equipment	6	4
14	Plastics & Rubber	3	4
15	Automotive Products & Accessories	6	4
16	Electronics	2	4
17	Instruments & Photographic Equipment	7	4
18	Brokerage, Investment & Management Consulting Services	3	4
19	Health Services	-	4
20	Household Goods	3	3
21	Primary Metal Processing	6	3
22	Electrical Equipment	5	3
23	Office Equipment & Computer Hardware	3	3
24	Transportation	4	3
25	Communications	1	3
26	Construction Contractors & Engineering Services	4	3
27	Apparel	1	2
28	Packaging & Containers	5	2
29	Stone, Clay & Glass	4	2
30	Aerospace, Aircraft & Defense	2	2
31	Electrical, Gas, Water & Sanitary Services	1	2
32	Leisure & Entertainment	6	2
33	Conglomerate	-	2
34	Agricultural Production	4	1
35	Textiles	2	1
36	Timber & Forest Products	3	1
37	Furniture	-	1
38	Toiletries & Cosmetics	-	1
39	Construction, Mining & Oil Field Machinery & Equipment	4	1
40	Valves, Pumps & Hydraulics	1	1
41	Computer Software, Supplies & Services	1	1

The following figure identifies those countries which furnished the foreign buyers of 1982. Individual totals for the previous four years are also provided.

FOREIGN BUYERS
COUNTRY BREAKDOWN
1982

Foreign Purchaser's Country	Number of Acquisitions				
	1978	1979	1980	1981	1982
Great Britain	62	60	50	81	55
Canada	49	50	57	62	36
France	6	18	20	14	12
Switzerland	11	16	7	6	7
West Germany	27	37	14	14	6
Netherlands	4	11	6	8	5
Hong Kong	1	2	2	2	4
Japan	9	11	9	9	4
Sweden	2	4	8	7	4
Mexico	3	1	1	2	3
Australia	22	5	2	7	2
Singapore	--	--	--	--	2
Spain	--	2	2	1	2
Brazil	--	4	--	1	1
Columbia	--	--	1	--	1
Italy	3	1	1	4	1
Kuwait	1	--	1	1	1
Libya	--	--	--	--	1
Middle East	3	2	1	5	1
New Zealand	--	--	--	--	1
Panama	1	--	--	--	1
Philippines	--	2	--	1	1
South Korea	2	--	--	--	1
Thailand	1	--	--	--	1
Other Countries	12	10	5	9	1
Total Foreign Buyers	199	236	187	234	154

Source: W. T. Grimm & Co.

Figure 15.

Great Britain and Canada have, for the most part, supplied more than half of the foreign acquirers each year. Due to the common language and similar business cultures, U.S. businesses are less apprehensive toward British and Canadian companies.

FOREIGN SELLERS

Transactions invoiving foreign sellers and American buyers totaled 121, up 20% from 101 in 1981. While the strength of the U.S. dollar curbed the influx of foreign acquirers, it also acted as an added incentive for American purchases of foreign companies. Among the 121 foreign seller transactions, 52 or 43% were divestitures.

AMERICAN BUYERS / FOREIGN SELLERS
LARGEST TRANSACTIONS
1982

Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid (millions)
Nabisco Brands, Inc. [diversified line of food products]	**Huntley & Palmer Foods PLC - Britain** [food products]	**$168.0**
Aetna Life & Casualty Co. [multiline insurance]	**Samuel Montagu & Co. — Britain** (40% acquired) [merchant banking]	**115.0**
Irving Trust Co.	**Banca Della Svizzera Italiana - Switzerland** (33% acquired) [7th largest private bank in Switzerland]	**105.0**
United Technologies Corp. [aerospace - elevators - high tech]	**Elektro-Finanz AG - Switzerland** [electric insulating materials - magnet wires]	**67.0**
Dart & Kraft, Inc. [food/dairy - chemicals - other diversified prdts.]	**British Ever Ready Ltd. - Britain** (Continental European battery business)	**60.0**
Docutel Corp. [automated teller machines]	**Ing. C. Olivetti & C.S.p.a. - Italy** (Olivetti Corp. - U. S. operations) [marketing typewriters]	**55.0**
PPG Industries, Inc. [flat glass - paints - chemicals]	**BSN-Gervais Danone S.A. - France** (Boussois S.A.) [flat glass]	**43.0**

Source: W. T. Grimm & Co.

Figure 16.

INDUSTRIES ATTRACTING AMERICAN BUYERS
1982

Rank 1982	Seller Industry Category	Number of Transactions 1981	1982
1	Miscellaneous Services	10	12
2	Drugs, Medical Supplies & Equipment	2	9
3	Instruments & Photographic Equipment	4	8
4	Electrical Equipment	4	7
5	Banking & Finance	5	7
6	Insurance	6	7
7	Fabricated Metal Products	3	5
8	Electronics	3	5
9	Oil & Gas	2	5
10	Wholesale & Distribution	6	5
11	Food Processing	5	4
12	Brokerage, Investment & Management Consulting Services	1	4
13	Computer Software, Supplies & Services	2	4
14	Packaging	--	3
15	Valves, Pumps & Hydraulics	5	3
16	Paper	2	2
17	Printing & Publishing	1	2
18	Chemicals, Paints & Coatings	6	2
19	Toiletries	--	2
20	Stone, Clay & Glass	2	2
21	Industrial & Farm Equipment & Machinery	4	2
22	Toys & Recreational Products	1	2
23	Miscellaneous Manufacturing	2	2
24	Construction Contractors & Engineering Services	1	2
25	Energy Services	--	2
26	Agricultural Production	3	1
27	Beverages	2	1
28	Apparel	1	1
29	Plastics & Rubber	--	1
30	Primary Metal Processing	1	1
31	Construction, Mining & Oil Field Equipment & Machinery	2	1
32	Automotive Products & Accessories	--	1
33	Office Equipment & Computer Hardware	4	1
34	Transportation	--	1
35	Broadcasting	--	1
36	Retail	5	1
37	Real Estate	--	1
38	Conglomerate	--	1

FOREIGN SELLERS
COUNTRY BREAKDOWN
1982

Foreign Seller's Country	Number of Acquisitions				
	1978	1979	1980	1981	1982
Great Britain	29	35	38	27	30
Canada	23	15	15	8	30
West Germany	7	10	7	11	12
Switzerland	2	1	2	1	10
France	3	17	8	12	8
Australia	8	6	7	7	6
Hong Kong	3	2	--	--	4
Netherlands	5	4	3	6	3
Japan	1	2	--	--	3
Belgium	1	1	1	1	2
Brazil	2	2	3	4	2
Italy	--	4	2	3	2
Austria	1	1	--	1	2
Greece	1	--	--	--	1
Luxembourg	--	--	--	--	1
Malaysia	--	--	--	--	1
Mexico	1	2	3	4	1
Puerto Rico	--	--	--	1	1
South Africa	--	1	--	--	1
South Korea	--	1	1	--	1
Zimbabwe	--	--	--	--	1
Other Countries	11	15	12	15	--
Total Foreign Sellers	98	119	102	101	121

Source: W. T. Grimm & Co.

Figure 17.

ACQUISITION LEADERS

An inventory of the WTG aggressive buyer roster for 1982 disclosed only 25 companies, each of which made 5 or more acquisitions. The 25 firms accounted for a total of 153 acquisitions. The current roster pales by comparison to that of 1981 which contained 37 companies contributing a total of 267 purchases.

The 25 aggressive buyers of 1982 and the respective numbers of known acquisition proposals initiated by each are indicated below.

AGGRESSIVE BUYERS
1982

Company	Number of Acquisitions	Types of Businesses Acquired
California Federal Savings & Loan Association	10	S&Ls - brokerage services
Metromedia, Inc.	9	communications - broadcasting - outdoor advertising
American Hospital Supply Corp.	8	manufacturers & distributors of medical equipment
Merrill Lynch & Co.	8	real estate brokers/agents - brokerage services - insurance
Security Pacific Co.	8	banking - brokerage services - real estate
American Express Co.	7	brokerage services - computer services - real estate - insurance
Beatrice Foods Co.	7	foods - beverages
Alexander & Alexander Services, Inc.	6	insurance
Buckbee - Mears Co.	6	manufacturers & distributors of lenses
Citizens & Southern Georgia Corp.	6	banking
Hawkeye Bancorporation	6	banking
Honeywell, Inc.	6	communications - electronics - instruments
Minnesota Mining & Manufacturing Co.	6	communications - medical equipment - optics - ceramics - computer services
H. F. Ahmanson & Co.	5	banking
Amfac, Inc.	5	wholesale - retail
Cardillo Travel Systems, Inc.	5	travel agenices
CBS, Inc.	5	broadcasting - publishing - entertainment - toys
Erie Savings Bank	5	banking
Esmark, Inc.	5	cosmetics - toiletries - electronics
First Bancorp of New Hampshire, Inc.	5	banking
MEI Corp.	5	bottling companies
National Medical Enterprises, Inc.	5	health services
Norton Co.	5	construction & engineering services - chemicals - energy services - transportation - medical prdts.
Telecom Equipment Corp.	5	communications
U.S. Shoe Corp	5	wholesale - retail
Total	153	

Source: W. T. Grimm & Co.

Figure 18.

A listing of the most aggressive acquirers over a five-year cumulative period is provided in the subsequent table. Some observations include the following:

* The list contains 33 companies which made a total of 668 acquisitions since 1978. This represents 6% of all merger and acquisition activity over the last five years.

* Among the 33 entries, 6 companies also appear on the five-year aggressive divester roster (page 40). They are W. R. Grace & Co., Allied Corp., Beatrice Foods Co., Esmark Inc., Metromedia Inc., and Sun Co.

* There are a total of 6 bank holding companies. All are based in Texas: Allied Bancshares, Southwest Bancshares, First City Bancorp, Mercantile Texas, Republic of Texas, Texas American Bancshares.

* Nucorp Energy, ranking 22nd, was the most aggressive acquirer of 1981. One of many victims of the depressed energy industry, Nucorp recently filed for Chapter 11 bankruptcy.

* Thomas Tilling of Britain, ranking 8th, is the only foreign corporation on the list. A holding company owning a broadly based group of companies, Thomas Tilling has pursued a policy of expansion through acquisitions both to strengthen existing sectors and to enter promising new fields of activity, especially overseas.

ACQUISITION LEADERS
1978 — 1982

Company	Number of Acquisitions					Five-Year Total
	1978	1979	1980	1981	1982	
W. R. Grace & Co.	9	8	10	5	2	34
Merrill Lynch & Co.	3	1	7	9	8	28
Allied Bancshares Corp.	2	6	5	10	4	27
Central Telephone & Utilities Corp.	5	3	5	10	4	27
Pengo Industries, Inc.	2	4	7	13	--	26
Beatrice Foods Co.	10	3	--	4	7	24
General Electric Co.	3	4	6	8	3	24
Thomas Tilling Ltd. - Britain	3	6	7	6	2	24
National Medical Enterprises, Inc.	3	2	2	10	5	22
Southwest Bancshares, Inc.	3	3	2	10	4	22
Anacomp, Inc.	5	6	6	3	1	21
Dana Corp.	5	2	7	3	3	20
Minnesota Mining & Mfg. Co.	4	5	1	4	6	20
American Express Co.	--	3	4	5	7	19
First City Bancorp.	3	4	4	7	1	19
Gannett Co., Inc.	3	6	2	4	4	19
Honeywell, Inc.	6	3	2	2	6	19
Mercantile Texas Corp.	1	1	2	11	4	19
Alco Standard Corp.	5	2	2	9	--	18
Allied Corp.	--	1	7	8	2	18
American Hospital Supply Corp.	2	1	4	3	8	18
Nucorp Energy, Inc.	--	--	5	13	--	18
Republic of Texas Corp.	4	5	4	4	1	18
Texas American Bancshares, Inc.	4	--	1	9	4	18
Cooper Laboratories, Inc.	4	2	5	3	3	17
Esmark, Inc.	5	2	2	3	5	17
Amfac, Inc.	1	4	4	2	5	16
Automatic Data Processing, Inc.	1	4	4	6	1	16
Frank B. Hall & Co.	3	4	3	4	2	16
Metromedia, Inc.	2	1	2	2	9	16
Parker-Hannifin Corp.	4	7	3	1	1	16
Sun Co.	6	5	2	1	2	16
UGI Corp.	3	4	4	1	4	16
Totals	114	112	131	193	118	668

Source: W. T. Grimm & Co.

Figure 19.

DIVESTITURES

Divestitures, which are sales of a product line, subsidiary or division, numbered 875 in 1982 or 37% of all acquisition activity. This compares with 830 or 35% in 1981. Based on the 317 divestitures disclosing a purchase price during 1982, the total dollar value paid aggregated $16.1 billion, compared with $16.7 billion tabulated on 366 divestitures in 1981. Cash payments for divestments dropped from 62% to 53% of the divestitures providing the method of payment, while combination payments rose from 29% to 39%.

DIVESTITURES
1965 — 1982

Year	Number	Percent of All Transactions	Year	Number	Percent of All Transactions
1965	191	9%	1974	1,331	47%
1966	264	11%	1975	1,236	54%
1967	328	11%	1976	1,204	53%
1968	557	12%	1977	1,002	45%
1969	801	13%	1978	820	39%
1970	1,401	27%	1979	752	35%
1971	1,920	42%	1980	666	35%
1972	1,770	37%	1981	830	35%
1973	1,557	39%	1982	875	37%

Source: W. T. Grimm & Co.

Figure 20.

* ***Historical Note***

Looking at divestment activity since the mid-60s, we see that divestitures as a percentage of all transactions accelerated in the aftermath of the conglomerate era of 1968 and 1969. The peak occurred in 1975-1976 as the recession of 1974-75 compelled many companies to raise capital by selling certain business segments.

An inspection of the ensuing chart snows the frequency of larger divestitures increasing from 1979 to 1982. Also, as indicated earlier, the average purchase price for divestitures increased from $45.6 million in 1981 to $50.6 million in 1982. Compared to previous waves of divestment activity, many corporations are no longer reluctant to sell long-established and/or sizable subsidiaries.

VALUE OF DIVESTITURES
1979 — 1982

	Percent of Transactions Disclosing Purchase Price			
Price Paid Value	1979	1980	1981	1982
$ 5 million or less	35%	27%	29%	26%
$ 5.1 — 10.0 million	19%	21%	18%	19%
$10.1 — 15.0 million	9%	9%	11%	10%
$15.1 — 25.0 million	12%	9%	10%	9%
$25.1 — 50.0 million	13%	14%	14%	12%
$50.1 — 99.9 million	**6%**	**8%**	**8%**	**11%**
$100 million or more	**6%**	**11%**	**10%**	**13%**

Source: W. T. Grimm & Co.

Figure 21.

A sampling of 1982's major divestitures follows.

THE 50 LARGEST DIVESTITURES
1982

Buyer [business and/or product line]	Selling Parent Company (unit sold) [business and/or product line]	Approximate Price Paid (millions)
1. **Petro-Lewis Corp** [oil/gas]	**Du Pont Co.** (certain Conoco assets) [oil/gas]	**$772.0**
2. **GTE Corp.** [largest independent telephone system]	**Southern Pacific Co.** (communications units) [long distance phone service & a planned satellite system]	**750.0**
3. **Northwest Energy Co.** [natural gas PL]	**Cities Service Co.** (Cities Service Gas Co.) [buys, sells & transports natural gas]	**530.0**
4. **American Home Products Corp.** [drugs - food - candy]	**Brunswick Corp.** (Sherwood Medical) [syringes - needles - catheters - other medical devices]	**425.0**
5. **James River Corp.** [specialty paper products]	**American Can Co.** (Dixie towel & tissue & folding carton businesses)	**420.0**
6. **Apache Corp.** [oil/gas producer]	**Dow Chemical Co.** (domestic oil/gas operations)	**400.0**
7. **Procter & Gamble Co.** [consumer goods]	**Morton-Norwich Products, Inc.** (Norwich-Eaton Pharmaceuticals) [prescription drugs & over-the-counter products]	**371.0**
8. **California Federal Savings & Loan Association**	**Biscayne Federal Savings & Loan Association** (8 of its 34 branches)	**354.0**
9. **Richfield Holdings Ltd.** [newly formed investment group]	**Gulf & Western Industries, Inc.** (Providence Capital International Insurance Ltd. and Famous Players Realty Ltd.) [insurance & real estate holdings]	**350.0**
10. **General Dynamics Corp.** [aerospace - submarines]	**Chrysler Corp.** (Chrysler Defense, Inc.) [tanks]	**336.1**
11. **General Foods Corp.** [leading manufacturer of packaged foods]	**Warner-Lambert Co.** (Entenmann's Inc.) [bakery]	**315.0**
12. **Lone Star Industries, Inc .** [cement & concrete aggregates]	**Gulf & Western Industries, Inc.** (Marquette Co.) [cement producer]	**267.0**
13. **Private Group**	**Harris Corp.** (printing - equipment business)	**250.0**

Buyer [business and/or product line]	Selling Parent Company (unit sold) [business and/or product line]	Approximate Price Paid (millions)
14. **Fletcher Challenge Ltd. — New Zealand**	**Crown Zellerbach Corp.** (its 84% interest in Crown Zellerbach Canada Ltd. and Norsk Pacific Steamship) [pulp based products - newsprint - lumber - hauler of cargo]	$242.0
15. **Aberford Resources Ltd. — Canada** [natural resources]	**Marathon Oil Co.** (Marathon Petroleum Canada Ltd. and Pan Ocean Oil Ltd.) [oil & gas]	225.0
16. **Fednav Ltd. — Canada** [major international shipping co.]	**U.S. Steel Corp.** (50% of Navios Corp.) [ocean shipping]	200.0
17. **North American Philips Corp.** [electrical & electronic equipment]	**Westinghouse Electric Corp.** (light-bulb & lamp business)	200.0
18. **Republic Health Corp.** [owns/operates hospitals]	**Hospital Corp. of America** (18 hospitals)	200.0
19. **Asahi Chemical Industry Co. Ltd. — Japan** [chemicals]	**Dow Chemical Co.** (its 50% interest in Asahi - Dow Ltd.) [chemicals]	185.0
20. **Pittston Co.** [hldg. co.: coal - oil - Brinks - leasing]	**Burlington Northern, Inc.** (Burlington Northern Air Freight, Inc.) [second largest forwarder of air freight]	177.0
21. **Petro-Lewis Corp.** [oil/gas]	**Fluor Corp.** (certain domestic oil/gas producing properties)	174.0
22. **Damson Oil Corp.** [oil/gas]	**Petroleum Corp. of Texas** (certain assets)	160.0
23. **Government of France**	**Honeywell, Inc.** (27% interest in French state - controlled CII - Honeywell Bull)	150.0
24. **Interocean Steamship Corp.** [newly formed co.]	**LTV Corp.** (Lykes Bros. Steamship Co.) [ocean shipping]	150.0
25. **Metromedia, Inc.** [TV & radio broadcastng]	**Field Enterprises, Inc.** (WFLD-TV, Chicago)	140.0
26. **Trane Co.** [air conditioning & heating equipment]	**General Electric Co.** (central air-conditioning business)	135.0
27. **First Interstate Bancorp.** [banking]	**Interwest Financial Corp.** (IntraWest Bank of Denver) [banking]	125.0
28. **Lloyds Bank Ltd. — Britain** [banking]	**Marsh & McLennan Cos.** (Bowmaker Ltd.) [credit-finance]	124.4
29. **American Hospital Supply Corp.** [hospital/lab supplies & equipment]	**Dow Chemical Co.** (Bio-Sciences Enterprises) [clinical testing labs]	120.0

Buyer [business and/or product line]	Selling Parent Company (unit sold) [business and/or product line]	Approximate Price Paid (millions)
30. **Farley Industries** [coal - health foods - graphic arts]	**NL Industries, Inc.** (metal-products business) [parts & tooling for auto industry]	$ 120.0
31. **Standard Oil Co. of Ohio** [domestic crude oil - copper]	**Republic Steel Corp.** (Kitt Energy Corp.) [operates Kitt Coal Mine]	105.0
32. **BOC Group — Britain** [industrial gases, equipment & services]	**Glasrock Medical Services Corp.** (80% of its assets) [home medical services]	102.0
33. **Private Group**	**Allied Corp.** (Converse athletic footwear division)	100.0
34. **United Technologies Corp.** [aerospace - elevators]	**General Dynamics Corp.** (3 telecommunications units) [telecommunication equipment & services]	100.0
35. **Beecham Group — Britain** [human & veterinary pharmaceuticals]	**Nabisco Brands, Inc.** (J. B. Williams Co.) [toiletries - proprietary medical products]	100.0
36. **Gannett Co.** [newspapers - TV/radio - advertising]	**Chronicle Publishing Co.** (KRON-TV, San Francisco)	100.0
37. **Dresser Industries, Inc.** [mining & construction equipment]	**International Harvester Co.** (construction - equipment business)	100.0
38. **Whitbread & Co. — Britain** [a major British brewer]	**Nabisco Brands, Inc.** (Julius Wile Sons & Co.) [wines & spirits]	96.3
39. **Crowley Maritime Corp.** [shipping]	**Holiday Inns, Inc.** (Delta Steamship Lines, Inc.) [shipping]	96.0
40. **Peoples Savings & Loan**	**Cardinal Federal Savings & Loan** (6 branch offices in northeast Ohio)	93.0
41. **Fleming Cos.** [wholesale food distribution]	**Waples-Platter Cos.** (5 operating units) [institutional food supplier]	91.0
42. **Sybron Corp.** [professional health care prdts.]	**American Hospital Supply Corp.** (dental product making & dstr. operations)	90.0
43. **American Medical International, Inc.** [U.S./international hospitals]	**Petrolane, Inc.** (Raleigh Hills) [chain of 24 alcohol rehabilitation hospitals]	87.0
44. **Cooperative Energy Corp. — Canada**	**Sabine Corp.** (all Canadian assets) [oil/gas producing properties & undeveloped acres]	84.5
45. **Hampshire Gibson, Inc.**	**RCA Corp.** (Gibson Greeting Cards, Inc.)	80.0

Buyer [business and/or product line]	Selling Parent Company (unit sold) [business and/or product line]	Approximate Price Paid (millions)
46. **Jefferson Smurfit Group — Ireland** [paper - packaging]	**Diamond International Corp.** (packaging, container, paperboard & graphic arts businesses)	$ 80.0
47. **Wesray Packaging, Inc.**	**Diamond International Corp.** (Heekin Can division) [metal cans & containers]	80.0
48. **British Aerospace PLC — Britain**	**Sperry Corp.** (Sperry Gyroscope) [gyro compasses]	79.9
49. **Time, Inc.** [magazines - books - CATV - forest products]	**J. C. Penney Co.** (Great American Reserve Insurance Co.)	76.0
50. **Gannett Co.** [newspapers - TV/radio - etc.]	**Metromedia, Inc.** (WTCN-TV, Minneapolis)	75.0

As the previous statistics and listing indicate, a widespread corporate restructuring of assets continued to take place within the business environment. The promised panacea of diversification has lost its management appeal and has been replaced by a policy of concentrating resources in strategic business units. Having to cope with a fluctuating economy, corporate managements are streamlining operations and strengthening balance sheets by selling slow-growing, cash-draining, and/or unrelated units; i.e., managements are concentrating on existing strengths.

The rash of sizable acquistions over the last two to three years, particularly the mega-dollar deals, is also encouraging the "corporate sell-off". In making these acquisitions, many firms assumed a heavy debt load. As a result, they are selling assets to raise cash for debt repayment. For example, Du Pont Co. which acquired Conoco Inc. for over $8 billion, leads WTG aggressive divester roster of 1982.

In addition to debt reduction, divesting "indigestible" parts is a common practice following a sizable acquisition-merger and/or a series of acquisitions. Examples from our 1982 roster include Allegheny International, Nabisco Brands, Allied Corp., and General Electric.

Two aggressive divesters filed Chapter II petitions for bankruptcy during 1982, while a third restructured its debt: Wickes Cos., Saxon Industries and International Harvester, respectively.

AGGRESSIVE DIVESTERS
1982

Selling Parent Company	Number of Divestitures
Du Pont Co.	8
Allegheny International, Inc.	7
Nabisco Brands, Inc.	7
Firestone Tire & Rubber Co.	6
International Harvester Co.	6
Allied Corp.	5
Metromedia, Inc.	5
Saxon Industries, Inc.	5
AMF, Inc.	4
Barnes Engineering Co.	4
Cities Service Co.	4
Dow Chemical Co.	4
General Electric Co.	4
National Steel Corp.	4
Norton Co.	4
Roblin Industries, Inc.	4
Talley Industries, Inc.	4
Westinghouse Electric Corp.	4
Wickes Cos.	4

Source: W. T. Grimm & Co.

Figure 22.

The most aggressive divesters over a five-year cumulative period are listed in Figure 23. Some observations,

* The list contains 27 companies which divested a total of 341 businesses, or 9% of all divestitures for the five-year span.
* NL Industries instituted an aggressive divestiture program which transformed the company from a lead recycler into a provider of petroleum services and products.
* Redeploying its assets into communications technologies, consumer and government electronics, entertainment and information services, RCA sold non-electronic units.
* Itel filed for Chapter II bankruptcy in 1981.
* AMF altered the thrust of its overall business activity to stress industrial technology and energy services.
* Bendix sold its sizable forest-products business along with smaller units and then disclosed its intention to search for acquisition candidates in high-technology. Bendix found its target in 1982 and the results were certainly not what Bendix had expected.

AGGRESSIVE DIVESTERS
1978 — 1982

Selling Parent Company	Number of Divestitures					Five-Year Total
	1978	1979	1980	1981	1982	
International Telephone & Telegraph Corp.	1	4	8	6	2	21
Genesco, Inc.	10	5	4	1	--	20
Allied Corp.	3	5	2	3	5	18
Allegheny International, Inc.	5	2	2	1	7	17
Beatrice Foods Co.	--	6	1	7	3	17
NL Industries, Inc.	5	5	1	2	1	14
RCA Corp.	1	--	7	3	3	14
Union Carbide Corp.	3	3	5	3	--	14
Itel Corp.	--	6	7	--	--	13
AMF, Inc.	5	--	--	3	4	12
GAF Corp.	4	1	1	6	--	12
W. R. Grace & Co.	9	1	--	1	1	12
Bankers Trust Co.	--	5	--	4	2	11
Colgate-Palmolive Co.	--	4	4	2	1	11
Consolidated Foods Corp.	2	4	3	2	--	11
Du Pont Co.	1	2	--	--	8	11
Esmark, Inc.	2	2	7	--	--	11
Metromedia, Inc.	--	2	2	2	5	11
G. D. Searle & Co.	3	1	--	6	1	11
Bendix Corp.	1	--	2	5	2	10
Borden, Inc.	1	1	4	3	1	10
Firestone Tire & Rubber Co.	--	--	1	3	6	10
Fuqua Industries, Inc.	1	4	--	2	3	10
International Harvester Co.	1	--	--	3	6	10
Kennecott Corp.	1	3	5	1	--	10
McGraw-Edison Co.	1	2	5	--	2	10
Sun Co.	--	--	2	5	3	10

Source: W. T. Grimm & Co.

Figure 23.

Divestiture totals for each of the 50 industry classifications are provided on the next page.

DIVESTITURES
INDUSTRY CLASSIFICATIONS

Seller Industry Category	Number of Divestitures 1981	1982	Percent Change
Agricultural Production	10	2	- 80%
Food Processing	37	27	- 27%
Beverages	12	14	+ 17%
Apparel	12	9	- 25%
Textiles	12	7	- 42%
Timber & Forest Products	4	2	- 50%
Paper	5	10	+ 100%
Packaging & Containers	12	10	- 17%
Furniture	3	4	+ 33%
Building Products & Materials	14	16	+ 14%
Household Goods	13	16	+ 23%
Printing & Publishing	22	31	+ 41%
Chemicals, Paints & Coatings	38	29	- 24%
Drugs, Medical Supplies & Equipment	24	24	No Change
Toiletries & Cosmetics	--	6	--
Plastics & Rubber	11	19	+ 73%
Stone, Clay & Glass	16	8	- 50%
Primary Metal Processing	18	15	- 17%
Fabricated Metal Products	13	17	+ 31%
Industrial & Farm Machinery & Equipment	38	62	+ 63%
Construction, Mining & Oil Field Machinery & Equipment	6	8	+ 33%
Valves, Pumps & Hydraulics	14	5	- 64%
Autos & Trucks	5	2	- 60%
Automotive Products & Accessories	13	20	+ 54%
Electrical Equipment	19	28	+ 47%
Office Equipment & Computer Hardware	14	11	- 21%
Electronics	21	24	+ 14%
Aerospace, Aircraft & Defense	6	8	+ 33%
Instruments & Photographic Equipment	21	19	- 10%
Toys & Recreational Products	18	16	- 11%
Miscellaneous Manufacturing	13	14	+ 8%
Oil & Gas	26	21	- 19%
Mining & Minerals	15	15	No Change
Transportation	13	18	+ 38%
Communications	7	14	+ 100%
Broadcasting	23	32	+ 39%
Electrical, Gas, Water & Sanitary Services	1	3	+ 200%
Wholesale & Distribution	35	35	No Change
Retail	47	35	- 26%
Banking & Finance	37	61	+ 65%
Insurance	33	29	- 12%
Real Estate	7	6	- 14%
Brokerage, Investment & Management Consulting Services	8	11	+ 38%
Computer Software, Supplies & Services	13	22	+ 69%
Construction Contractors & Engineering Services	15	11	- 27%
Energy Services	15	4	- 73%
Health Services	13	14	+ 8%
Leisure & Entertainment	23	20	- 13%
Miscellaneous Services	34	40	+ 18%
Conglomerate	1	1	No Change
Total Divestitures	830	875	+ 5%

Divestitures accounted for more than half of merger and acquisition activity in each of the following industry classifications. Automotive Products & Accessories, a much depressed area, led the list. Due to the financial state of this industry, companies no longer retained units in the auto products field.

INDUSTRIES WITH MOST DIVESTITURES
1982

Seller Industry Classification	Divestitures as a Percentage of all Transactions For Each Industry
Automotive Products & Accessories	91%
Household Goods	73%
Plastics & Rubber	70%
Broadcasting	68%
Paper	67%
Toiletries & Cosmetics	67%
Printing & Publishing	65%
Packaging & Containers	63%
Building Products & Materials	60%
Primary Metal Processing	60%

Source: W. T. Grimm & Co.

Figure 24.

MANAGEMENT BUYOUTS*

The increase in divestitures has been aided by divisional managements buying out their own units.

MANAGEMENT BUYOUTS
MOMENTUM BUILDING

Year	Divestitures	Management Buyouts	Percent of Total Divestitures
1978	820	49	6%
1979	752	59	8%
1980	666	47	7%
1981	830	83	10%
1982	875	115	13%

Source: W. T. Grimm & Co.

Figure 25.

* *The W. T. Grimm & Co. Research Department began keeping track of management buyouts in 1978. The statistics discussed here represent only those cases where it has been publicly announced that an executive of the parent company or members of the division's management are included among the purchasing group. Therefore, any trend depicted here may be understated.*

The subsequent chart shows the total dollar value paid for management buyouts since 1978. Since very few buyouts disclose a purchase price, discretion is advised when interpreting the data. A trend, however, is discernable.

MANAGEMENT BUYOUTS
TOTAL DOLLAR VALUE PAID
1978 — 1982

Year	Management Buyouts	Number Disclosing Price	Tabulation of Prices (millions)	Average Price (millions)
1978	49	20	$ 75.2	$ 3.8
1979	59	14	46.7	3.3
1980	47	15	363.3	24.2
1981	83	30	484.1	16.1
1982	115	41	1,361.1	33.2

Source: W. T. Grimm & Co.

Figure 26.

As the preceding figures demonstrate, not only are there more of these leveraged* transactions, but larger deals are taking place. Since management buyouts are now widely accepted and understood, financing is much easier to obtain.

Some of this year's management buyouts included:

- the sale of Ringling Bros. & Barnum & Bailey Combined Shows, Inc. by Mattel, Inc.
- the Converse athletic footwear division by Allied Corp.,
- the Lykes Bros. Steamship Co. by LTV Corp.,
- the Buxton unit by Beatrice Foods Co.,
- the Brigham's division by Jewel Cos.

* *A discussion of leveraged acquisitions appears on page 48.*

TENDER OFFERS

Tender offers for publicly traded companies decreased 9% to 68 from 75 in 1981. Hostile offers, however, were as prevalent as last year. Among the 68 offers attempted during 1982, 29 or 43% were contested by the target company's management. This surpassed 1981's record 28 takeover battles. #

***Historical Note**
Hostile raids as an established acquisition strategy originated in 1974 when Morgan Stanley & Co. represented International Nickel Co. of Canada in its hostile and successful offer for ESB, Inc. The fact that Morgan Stanley, a reputable investment banking firm, was engaged in such an action rendered the hostile takeover an acceptable practice. The prevalence of takeover battles resulted in a specialized industry consisting of investment bankers, attorneys, proxy solicitors and public relations professionals, all of whom were offering expertise on offensive and defensive tactics.

 # Contested offers tracked since 1974.

TENDER OFFERS FOR PUBLICLY TRADED TARGETS
1974 — 1982

	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total Attempted	76	58	70	69	90	106	53	75	68
Contested by Target Firms	12	20	18	11	27	26	12	28	29
Contested & then Cancelled	4	6	12	6	14	17	8	15	12
Cancelled for other Reasons	13	9	9	5	4	10	5	1	6
Total Unsuccessful Tenders	17	15	21	11	18	27	13	16	18
Completed or Pending Tenders	59	43	49	58	72	79	40	59	50

Source: W. T. Grimm & Co.

Figure 27.

Note: Tender offers attempted in 1982 are identified in the Transaction Roster.

Unlike previous years, 1982 witnessed a shortage of "white knights". Of the 29 target companies resisting takeover attempts, 12 were able to ward off their hostile suitor. Among these 12, only two were taken over by "white knights". The possibility of a third "white knight" vanished when Gulf Oil Corp., the "white knight" for Cities Service Co., withdrew its offer at the last minute.

In view of the recessionary environment during 1982, many companies were not willing to take on the costs associated with a "rescue" plan. Not only is there the cost of the acquisition itself, but there are additional costs which can be incurred after the takeover. A "white knight" has very little time to study the target company and in turn very little time to draw up a proper strategic plan. Once the hostile offer begins, it remains open for only 20 days. During such a brief period, organizational factors tend to be overlooked. Hence, the problems of integrating the new business become apparent much later. Furthermore, a "white knight" must always confront the possibility of a bidding war.

"WHITE KNIGHTS" TO THE RESCUE
1978 — 1982

Year	Successful Resisters(1)	White Knights(2)
1978	14	6
1979	17	9
1980	8	5
1981	15	9
1982	12	2

(1) Number of target companies which successfully resisted hostile suitor.
(2) Number of target companies taken over by White Knights.

Source: W. T. Grimm & Co.

Figure 28.

"WHITE KNIGHTS" TO THE RESCUE
1978 — 1982

Target Company	Hostile Suitor	"White Knight"
	(1978)	
American Finance System, Inc.	Aristar, Inc.	Security Pacific Corp.
ASG Industries, Inc.	Associated Imports, Inc.	Fourco Glass Co.
Block Engineering, Inc.	Instrumentation Laboratory, Inc.	Bio-Rad Laboratories, Inc.
Minnesota Title Financial Corp.	Gamble Skogmo, Inc.	Old Republic International Corp.
Uarco, Inc.	Daylin, Inc.	City Investing Co.
World Jai-Alai, Inc.	Xcor International, Inc.	Private Group
	(1979)	
American Reinsurance Co.	Lincoln National Corp.	Aetna Life & Casualty Co.
Fairchild Camera & Instrument Corp.	Gould, Inc.	Schlumberger Ltd.
Interway Corp.	Gelco Corp.	Transamerica Corp.
Intext, Inc.	Cohen-Hatfield Industries, Inc.	National Education Corp.
Outdoor Sports Industries, Inc.	Telco Marketing Services, Inc.	Brown Group, Inc.
Polychrome Corp.	Rhone Poulenc S.A. — France	Dainippon Ink & Chemical Co. — Japan
Warner & Swasey Co.	Dominion Bridge Co. — Canada	Bendix Corp.
Washington Steel Corp.	Talley Industries, Inc.	Blount, Inc.
Wylain, Inc.	TRE Corp.	Marley Co.
	(1980)	
Applied Digital Data Systems, Inc.	Mitel Corp.	NCR Corp.
Biscayne Federal Savings & Loan Association	Empire Gas Corp.	Kaufman & Broad, Inc.
Crouse-Hinds Co.	InterNorth, Inc.	Cooper Industries, Inc.
Pullman, Inc.	J. Ray McDermott & Co.	Wheelabrator-Frye, Inc.
Standard Life Insurance Co. of Indiana	Kaufman & Broad, Inc.	INA Corp.
	(1981)	
Brookwood Health Services, Inc.	Humana, Inc.	American Medical International, Inc.
Cenco, Inc.	National Medical Enterprises, Inc.	Manor Care, Inc.
Conoco, Inc.	Mobil Corp.	Du Pont Co.
Gray Drug Stores, Inc.	National City Lines, Inc.	Sherwin-Williams Co.
Lightoiler, Inc.	Criton Corp.	Bairnco Corp.
Marathon Oil Co.	Mobil Corp.	U.S. Steel Corp.
Richardson Co.	MacAndrews & Forbes Group, Inc.	Witco Chemical Corp.
St. Joe Minerals Corp.	Seagram Co. Ltd.	Fluor Corp.
Sunbeam Corp.	IC Industries, Inc.	Allegheny International, Inc.
	(1982)	
Bendix Corp.	Martin Marietta Corp.	Allied Corp.
Evans-Aristocrat Industries, Inc.	Easco Corp.	Masco Corp.

Source: W. T. Grimm & Co.

Figure 29.

During 1982, the search for "white knights" was replaced and/or accompanied by a new defense tactic, namely "Pac-Man", a strategy in which the target company tries to take over the hostile suitor. There were three such instances, including the infamous Bendix — Martin Marietta — United Technologies — Allied extravaganza.

	Hostile Suitor	Target
(1)	American General Corp.	NLT Corp.
	Result: Following a series of sweetened offers by both parties, litigation proceedings, etc., the companies agreed to a friendly cash and stock merger where American acquired NLT.	
(2)	Mesa Petroleum Co.	Cities Service Co.
	Result: Gulf Oil stepped in as a "white knight" and offered to acquire Cities. Gulf, however, withdrew at the last minute. Much later, Occidental Petroleum made an offer for Cities which was initially rejected. Cities accepted after Occidental sweetened the offer.	
(3)	Bendix Corp.	Martin Marietta Corp.
	Result: After both Martin Marietta and United Technologies made individual offers for Bendix, Allied Corp. acquired Bendix as a "white knight".	

Among the 17 contested and successful offers in 1982, there were seven cases where the hostile suitor raised its original bid. Comparable statistics for earlier years are listed below.

TENDER OFFERS FOR PUBLICLY TRADED COMPANIES
CONTESTED & SWEETENED OFFERS
1978 — 1982

Year	Contested & Successful Offers	Hostile Suitor Raised Original Bid
1978	13	11 (85%)
1979	9	5 (56%)
1980	4	2 (50%)
1981	13	6 (46%)
1982	17	7 (41%)

Source: W. T. Grimm & Co.

Figure 30.

ACQUISITIONS OF PUBLICLY TRADED COMPANIES*

As of December 31, 1982, there were 180 completed or pending acquisitions of publicly traded companies, up 7% from the 168 recorded for 1981. In view of the stock market's decline from April, 1981 to mid- August, 1982, it is not surprising that public takeovers increased in 1982. The greater the difference between a company's acquisition value and its stock price, the more tempting it is for an acquirer and the more willing are shareholders to sell their holdings.

The total dollar value paid for public firms plunged 44% to $31.5 billion from 1981's $56.6 billion, again, signifying the drop in mega-deals. As the following graph demonstrates, the current increase in public takeovers was concentrated in deals valued between $25.1 million and $100 million.

** Purchase of a controlling interest or more in a publicly traded company.*

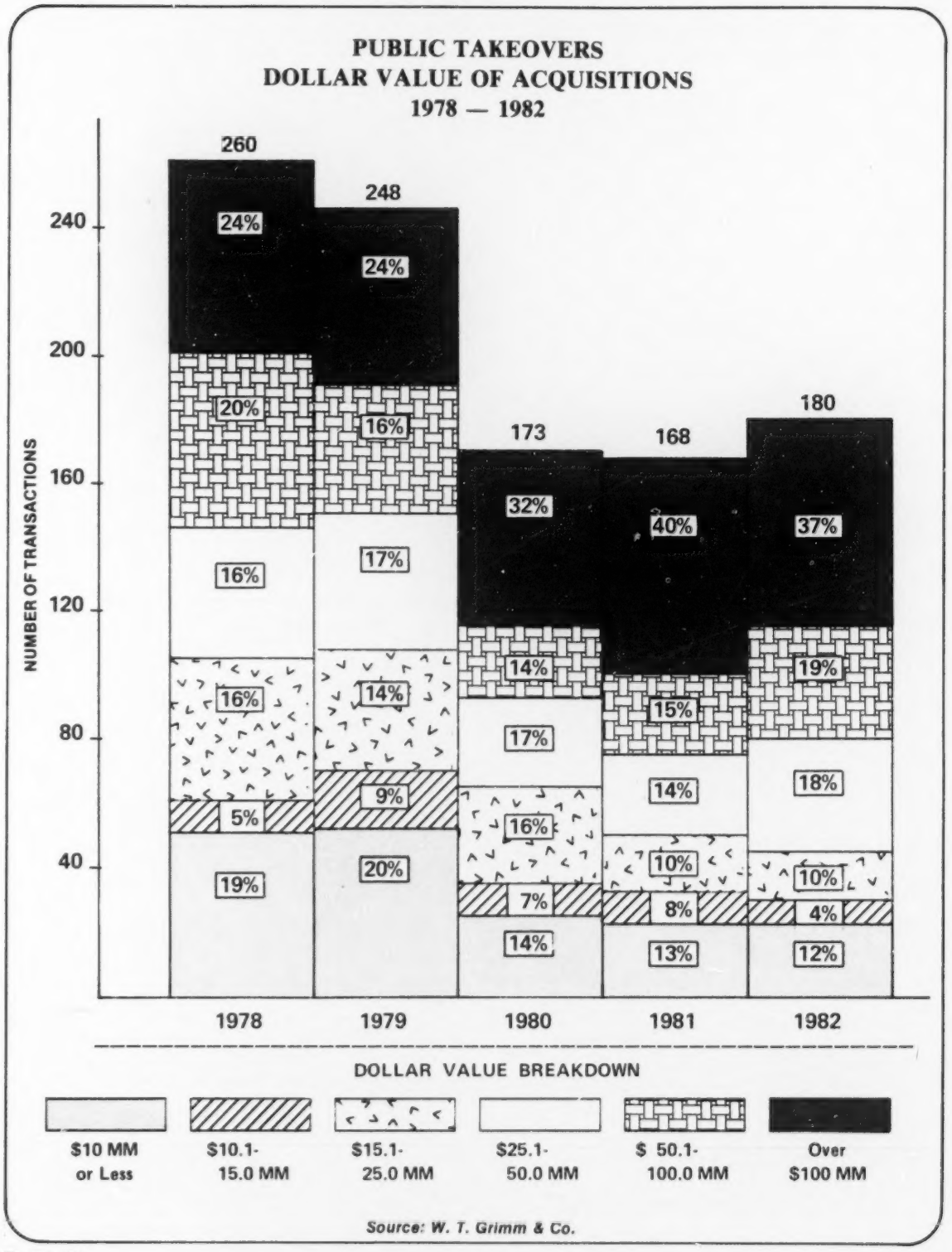
PUBLIC TAKEOVERS
DOLLAR VALUE OF ACQUISITIONS
1978 — 1982
NUMBER OF TRANSACTIONS
240
200
160
120
80
40
260
248
173
168
180
24%
24%
32%
40%
37%
20%
16%
16%
17%
16%
14%
14%
17%
15%
19%
14%
18%
9%
5%
16%
10%
10%
20%
19%
7%
8%
4%
14%
13%
12%
1978
1979
1980
1981
1982
DOLLAR VALUE BREAKDOWN
$10 MM or Less
$10.1- 15.0 MM
$15.1- 25.0 MM
$25.1- 50.0 MM
$ 50.1- 100.0 MM
Over $100 MM
Source: W. T. Grimm & Co.

Figure 31.

Payment trends are enumerated in Figure 32.

PUBLIC TAKEOVERS
MEDIUM OF PAYMENT
1978 — 1982

	1978	1979	1980	1981	1982
Cash	57%	67%	55%	56%	55%
Stock	23%	14%	25%	24%	19%
Combination	19%	19%	18%	19%	25%
Debt	1%	-	2%	1%	1%

Source: W. T. Grimm & Co.

Figure 32.

"GOING PRIVATE"

The term "going private" refers to an acquisition of a publicly traded company by a private investment group or an individual; i.e., the buyer is not an operating business. Tracking such acquisitions since 1979, the WTG Research Department has determined that "going private" deals are on the increase.

GOING PRIVATE
1979 — 1982

Year	Total Public Takeovers	"Going Private"	Percent of Public Takeovers
1979	248	16	6.4%
1980	173	13	7.5%
1981	168	17	10.1%
1982	180	33	18.3%

Source: W. T. Grimm & Co.

Figure 33.

Two factors influence this growing trend: (1) the advantages in going private, and (2) the increasing acceptance of "leveraged buyouts".

Advantages in Going Private:

- no expense of shareholder documents,
- no expense and time of shareholder meetings,
- no dividends to pay shareholders,
- no accountability to the SEC and stock-exchange officials,
- most important, a private company can manage its business in its best long-term interests instead of opting for short-term strategies which boost the price of the stock.

Most, if not all of the going private transactions are leveraged buyouts — acquisitions utilizing asset based financing; i.e., loans secured on the liquid value of existing assets, such as accounts receivable, inventory, plant and equipment. The overwhelming portion of the acquisition funds is obtained through these loans. The equity investors, which always include the management members of the company going private, therefore, are not obliged to contribute a large cash investment. This explains the increasing availability of equity participants. Once the debt has been repaid, the investor owns a part of the company for a relatively small sum. Investors are also attracted to these leveraged deals because they offer less risk than new business start-ups.

For a leveraged buyout to work, the company going private must have the following characteristics:

- it must generate enough cash flow to service the debt and at the same time provide operating funds.
- it must have a low debt-to-equity ratio since its assets will be used to secure a loan.
- it must have a secure position in its market with moderate anticipated growth in revenues; this minimizes future capital expenditures, thus, freeing up cash flow for debt service.

Companies that have gone private within the last few years include:

- **Congoleum Corp.** [home furnishings]
- **Metropolitan Greetings, Inc.** [greeting cards]
- **Ward Foods, Inc.** [candy - meats - baked goods]
- **Loehmann's, Inc.** [women's apparel store chain]
- **Leslie Fay, Inc.** [women's dresses, sportswear]
- **Norris Industries, Inc.** [diversified manufacturer]
- **Purex Industries, Inc.** [bleaches - detergents - drugs]
- **Signode Corp.** [steel & plastic strapping]
- **Reeves Brothers, Inc.** [textiles - foam - fabrics]
- **Questor Corp.** [diversified manufacturer of consumer products]

**Note: "Going private" transactions can be identified in the Transaction Roster since the buyer is simply named as a private group or individual.*

PERCENT PREMIUM PAID OVER MARKET PRICE*

Calculated on 176 acquisitions of publicly traded companies, the 1982 average premium paid over market was 47.4%, compared with 48.0% (based on 166 transactions) in 1981.

PREMIUM PAID OVER MARKET PRICE
1978 — 1982

Year	Average	Median
1978	46.2%	41.5%
1979	49.9%	47.6%
1980	49.9%	44.6%
1981	48.0%	41.9%
1982	47.4%	43.5%

Source: W. T. Grimm & Co.

Figure 34.

**Pemium paid tabulations are based on the seller's closing market price five business days prior to the initial announcement. Prior to 1979, tabulations were based on two business days.*

 # Historical Note

During the conglomerate era of the 1960s, the average premium paid over market ranged between 13% and 25%. The considerable declines in stock market conditions during the 1970s were accompanied by substantial increases in the average premium paid; the highest was recorded in 1974 when the premium reached 50.1%.

The 1982 average premium paid for a controlling interest was 48.5%, down slightly from 50.5%. The 1982 average for a minority interest also fell slightly to 29.6% from 31.1%.

The distribution of premiums paid during 1982 is illustrated in the next graph.

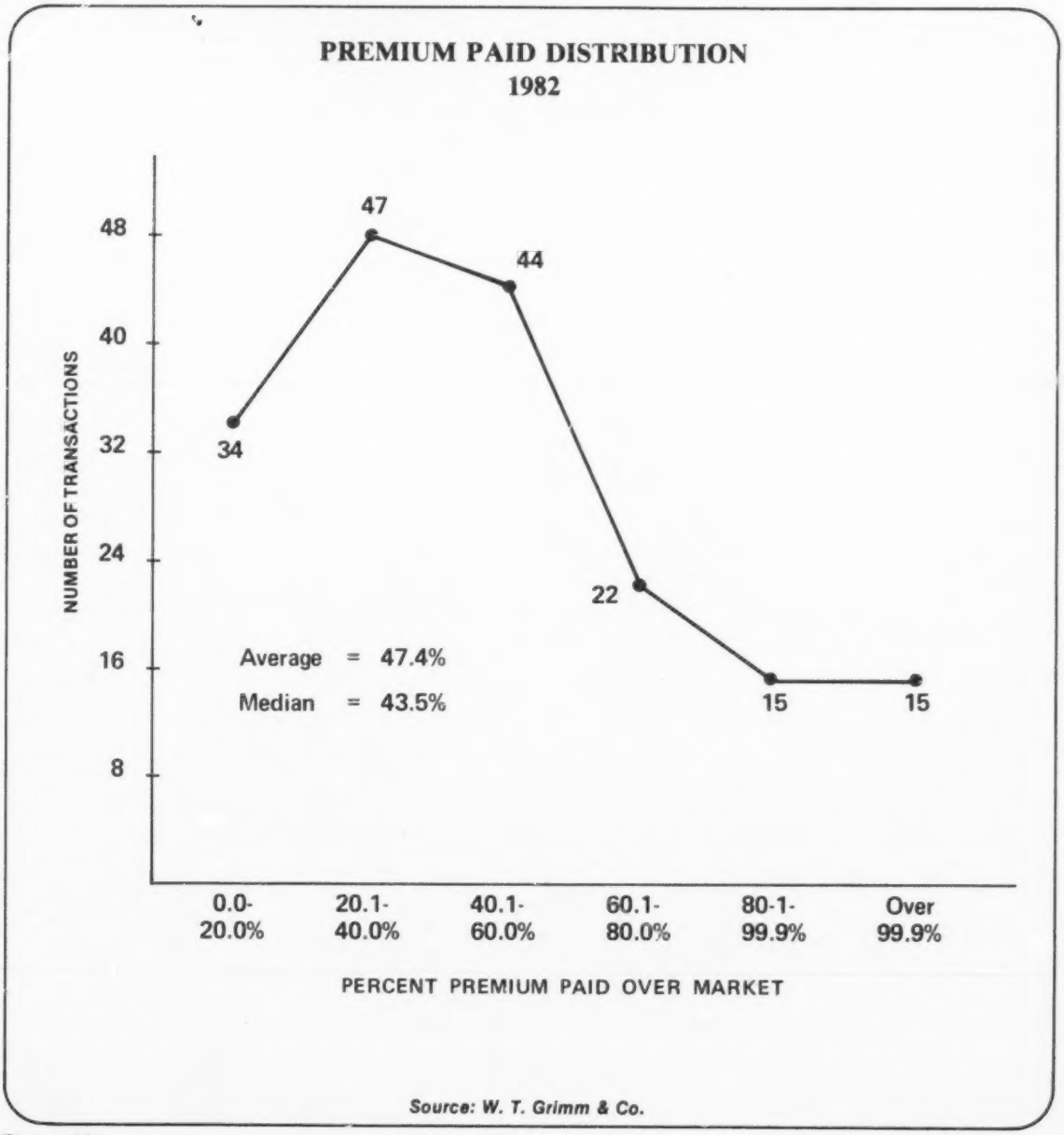

Figure 35.

A comparison of the premiums paid with respect to the dollar value of the transaction and the method of payment produced the following results.

MEDIAN PREMIUM PAID
1980 — 1982

I. COMPARISON BY DOLLAR VALUE

Value of Purchase Price	1980	1981	1982
$25 million or less	48.4%	38.0%	43.8%
$25.1 — 50.0 million	43.8%	47.5%	45.7%
$50.1 — 100.0 million	35.1%	34.6%	41.1%
Over $100 million	45.1%	49.1%	43.6%

II. COMPARISON BY METHOD OF PAYMENT

	1980	1981	1982
Cash	45.1%	38.0%	36.6%
Stock	38.0%	47.1%	47.9%
Combination	53.4%	56.0%	55.0%

Source: W. T. Grimm & Co.

Figure 36.

Distinguishing between three types of buyers, we found a difference in the median premium paid during 1982.

PREMIUM PAID OVER MARKET
MEDIAN VALUES
1982

Publicly Traded Buyers	46.8%
Private Groups/Individuals as Buyers	41.3%
Foreign Buyers	32.9%

Source: W. T. Grimm & Co.

Figure 37.

Figure 38 compares the median premium paid between lower priced stocks and higher priced stocks.

MEDIAN PREMIUM PAID
LOW PRICED STOCKS VS. HIGH PRICED STOCKS

Seller's Market Price Five Days Prior to Announcement	Median Premium Paid 1981	1982
$10.00 & under	51.2%	64.2%
$10.125 — 25.00	43.1%	38.1%
$25.125 — 50.00	38.0%	30.8%
Over $50.00	30.1%	30.1%

Source: W. T. Grimm & Co.

Figure 38.

A comparison of the premiums paid with respect to the seller's price earnings ratio follows.

MEDIAN PREMIUM PAID
WITH RESPECT TO SELLER'S P/E
1982

Seller's P/E Ratio Five Days Prior to Announcement	Median Premium Paid
1.0 — 5.0 times earnings	63.4%
5.1 — 8.0 times earnings	53.7%
8.1 — 10.0 times earnings	34.6%
10.0 — 12.0 times earnings	33.4%
12.1 — 15.0 times earnings	38.6%
Over 15.0 times earnings	30.1%

There were 24 companies which were operating at a deficit when acquired. Based on these 24 cases, the median premium paid over market was 57.5%.

Source: W. T. Grimm & Co.

Figure 39.

Average premiums paid for each of the 50 industry categories appear on page 60.

An inspection of the 1982 WTG Transaction Roster for the five largest premiums paid disclosed the following:

Buyer/Seller	Premium Paid Over Market
Duke of Energy Federal Resources Corp.	401.3%
Chevy Chase Savings & Loan Inc. Government Services Savings & Loan Inc.	247.8%
Baxter Travenol Laboratories, Inc. Medcom, Inc.	164.2%
Meridian Express Co. McLean Trucking Co.	157.1%
Private-Paul Kalmanovitz Pabst Brewing Co.	149.8%

More details on these acquisitions are provided in the Transaction Roster.

ACQUISITIONS OF PRIVATELY OWNED COMPANIES

Acquisitions of privately held concerns declined 8% to 1,222 transactions from the 1,330 counted in 1981. As indicated earlier, the diminished level of activity within the private sector was the sole contributor to the overall decrease in merger and acquisition announcements. During 1981 there was a sizable increase in the number of private takeovers. Continuing high interest rates had forced many undercapitalized firms to sell out. The effects of the prolonged recession, however, placed those weak companies that were not acquired in an even weaker financial state. Thus, these concerns, had difficulty in eliciting any reasonable buyer response. Conversely, some closely held firms were not receptive to being acquired since they hoped to strengthen their balance sheets and sell later at a higher price.

ACQUISITIONS OF CLOSELY HELD SELLERS
1978 — 1982

Year	Number of Transactions	Percent of Total M & A Activity
1978	969	46%
1979	1,049	49%
1980	988	52%
1981	1,330	56%
1982	1,222	52%

Source: W. T. Grimm & Co.

Figure 40.

As attested by the preceding table, the purchase of closely held corporations constitute the bulk of merger and acquisition activity. In addition to corporate strategic motivation, owners of private companies have added reasons for selling their businesses. Owners, especially those who average over 60 years of age, are frequently concerned with estate liquidity and management succession.

ACQUISITIONS OF CLOSELY HELD SELLERS
1979 — 1982

I. DOLLAR VALUE

Value of Purchase Price	Percent of Transactions Disclosing Price			
	1979	1980	1981	1982
$ 5 million or less	51%	49%	46%	47%
$ 5.1 — 10.0 million	23%	21%	23%	20%
$10.1 — 15.0 million	8%	9%	11%	12%
$15.1 — 25.0 million	7%	7%	7%	8%
$25.1 — 50.0 million	6%	9%	8%	7%
$50.1 — 100.0 million	3%	4%	3%	4%
Over $100 million	2%	1%	2%	2%

II. METHOD OF PAYMENT

	Percent of Transactions Disclosing Payment Medium			
	1979	1980	1981	1982
Cash	39%	32%	28%	24%
Stock	41%	46%	50%	44%
Combination	20%	21%	21%	29%
Debt	--	1%	1%	3%

Source: W. T. Grimm & Co.

Figure 41.

PRICE/EARNINGS RATIOS PAID

Due to the substantial percentages of private sellers and divestitures, few transactions release sufficient data on which to calculate price/earnings ratios paid. Only 193 deals, or 8% of all transactions, provided the necessary data in 1982. Thus, the subsequent multiples should not be construed as representative of all mergers and acquisitions. They simply provide a set of guidelines. Based on the 193 acquisitions, the average P/E ratio paid was 13.9 times earnings, down from the 15.6 calculated on 10% of the total merger-acquisition count in 1981. The 1982 medium P/E paid was 12.1, compared with 12.7 in 1981.

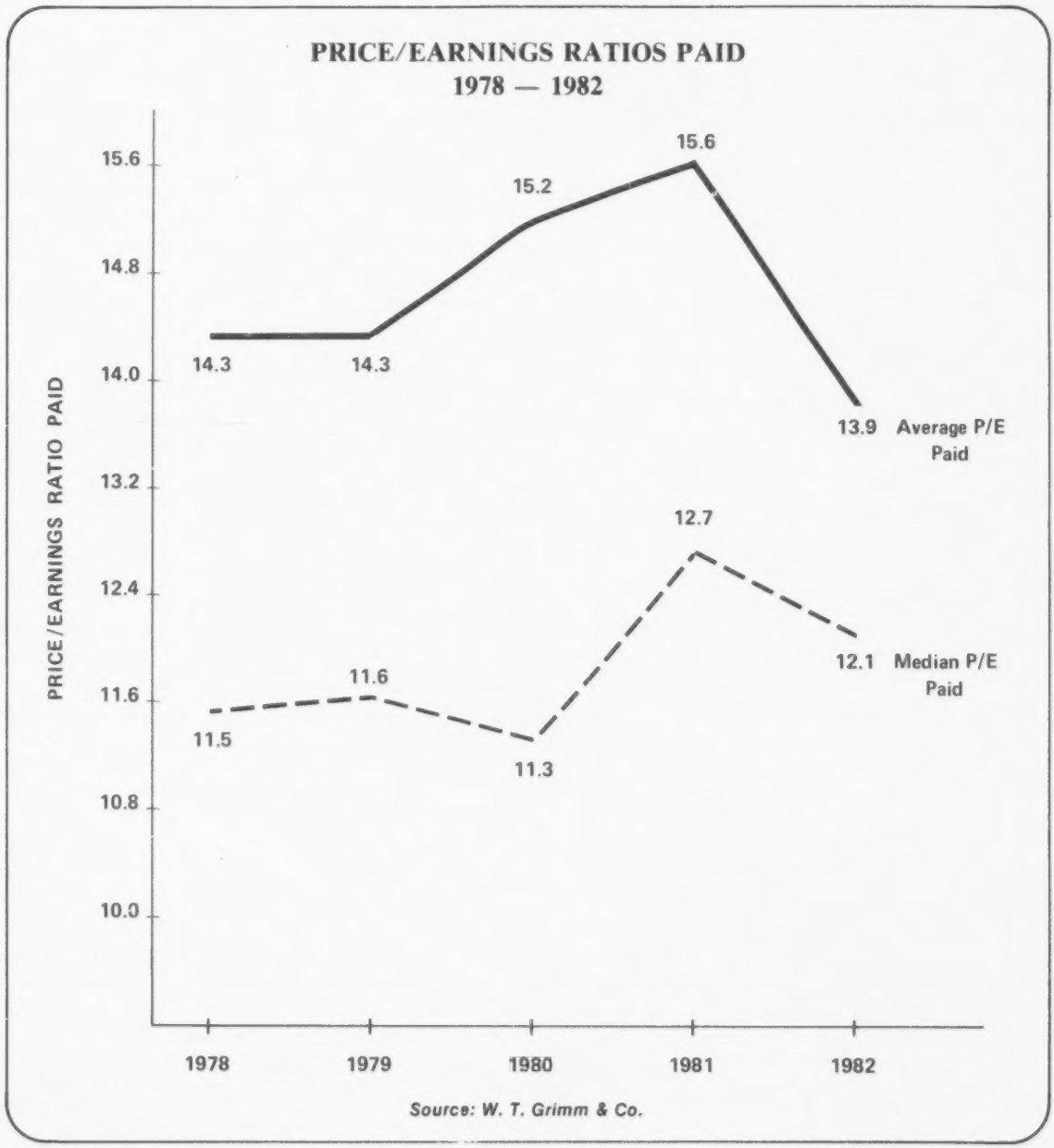

Figure 42.

Figure 43 illustrates the distribution of P/E multiples paid during 1982

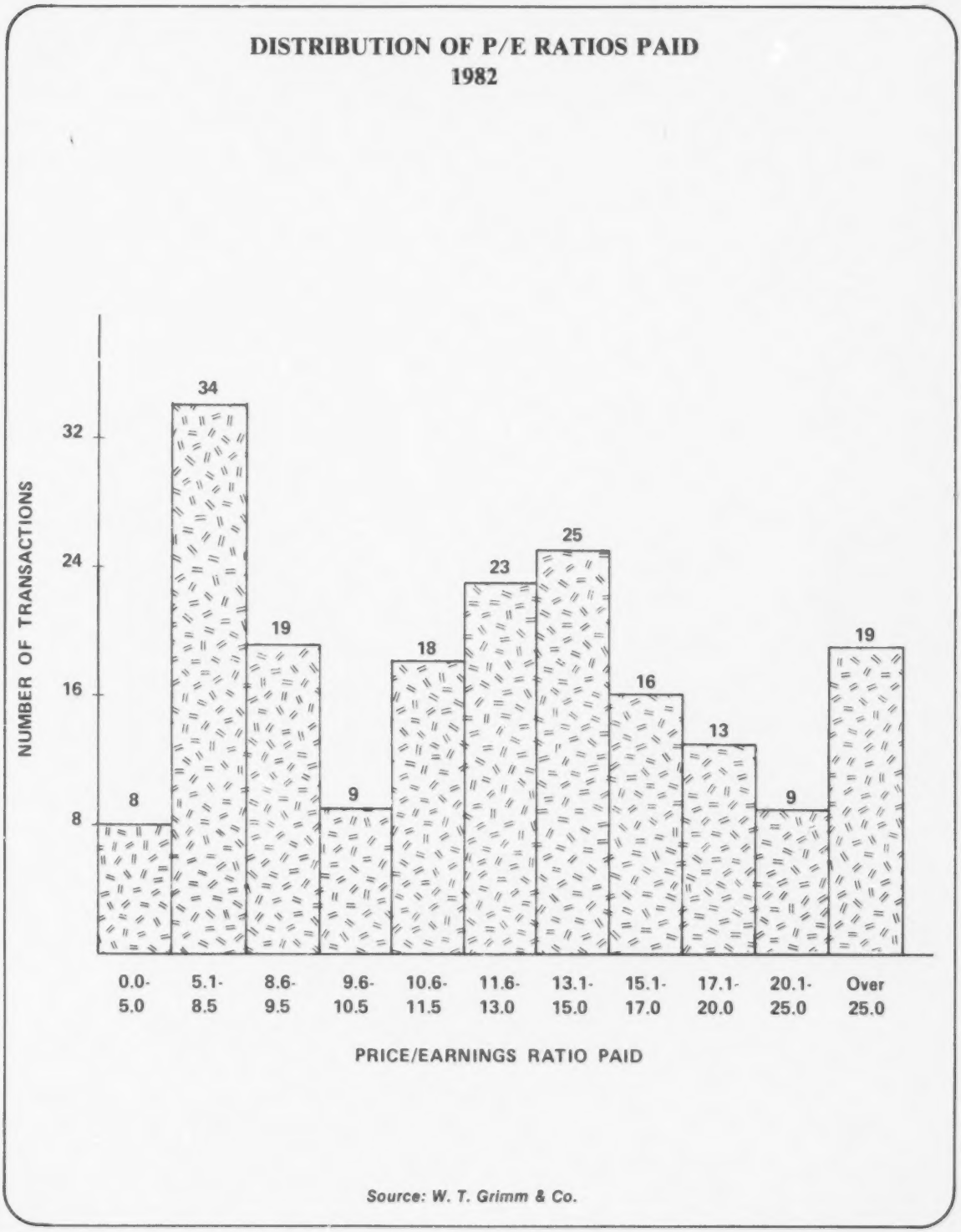

Figure 43.

The 1982 average multiple paid for publicly traded companies fell to 14.7 from 16.4 in 1981. The average P/E ratio paid for closely held concerns also dropped, from 13.8 to 11.0.

MEDIAN P/E PAID
PUBLIC VS. PRIVATE
1979 — 1982

	1979	1980	1981	1982
Acquisitions of Public Companies	11.8	11.5	14.0	12.8
Acquisitions of Private Companies	11.3	10.3	11.5	10.1

Source: W. T. Grimm & Co.

Figure 44.

MEDIAN P/E PAID
1980 — 1982

I. COMPARISON BY DOLLAR VALUE

Price Paid Value	1980	1981	1982
$25 million or less	10.2	11.0	10.4
$25.1 — 50.0 million	9.5	13.7	12.0
$50.1 — 100.0 million	13.7	13.5	13.3
Over $100 million	13.7	15.4	13.1

II. COMPARISON BY METHOD OF PAYMENT

	1980	1981	1982
Cash	11.0	13.5	12.4
Stock	12.8	14.5	12.0
Combination	11.3	12.6	12.2

Source: W. T. Grimm & Co.

Figure 45.

The following figure charts the premium paid over Standard & Poor's index of 500 stocks since 1968.

PRICE/EARNINGS RATIOS
PREMIUM PAID OVER S&P 500
1968 — 1982

Year	Standard & Poor's Index of 500 Stocks*	WTG Average P/E Paid#	Percent Premium Over S&P 500
1968	18.1	24.6	35.9%
1969	15.1	21.0	39.1%
1970	16.7	23.1	38.3%
1971	18.3	24.3	32.8%
1972	19.1	21.4	12.0%
1973	12.2	18.9	54.9%
1974	7.3	13.5	84.9%
1975	11.7	13.3	13.7%
1976	11.0	15.1	37.2%
1977	8.8	13.8	56.8%
1978	8.3	14.3	72.2%
1979	7.4	14.3	93.2%
1980	8.0	15.2	90.0%
1981	8.5	15.6	83.5%
1982	10.5	13.9	32.4%

*Based upon an average of weekly prices and quarterly earnings.

#Based upon prices paid in all transactions where earnings information was available.

Source: W. T. Grimm & Co.

Figure 46.

The fact that the percent premium paid over the S&P index dramatically increased during the last half of the 1970s suggests that the stock market was greatly undervalued. Concerned about inflation, the individual stock market investor began to emphasize a short-term investment strategy rather than a long-term plan. The stock market valued companies based on their present performance; i.e., quarterly earnings. The purchase price of an acquisition, on the other hand, represented the target company's future value as perceived by the acquirer.

INDUSTRY CLASSIFICATIONS
P/E RATIOS PAID
&
PREMIUMS PAID OVER MARKET

Seller's Industry Classification	P/E Ratio Paid [Base] 1981		P/E Ratio Paid [Base] 1982		Premium Over Market [Base] 1981		Premium Over Market [Base] 1982	
Agricultural Production	6.0X	[3]	10.0X	[2]	--%		33.0%	[2]
Food Processing	13.1	[6]	12.3	[13]	55.1	[4]	46.8	[9]
Beverages	14.5	[2]	10.4	[4]	--		51.6	[7]
Apparel	8.3	[3]	8.2	[3]	49.2	[3]	1.4	[1]
Textiles	3.4	[1]	11.1	[6]	37.9	[1]	34.5	[6]
Timber & Forest Products	13.7	[2]	10.9	[1]	23.3	[2]	23.0	[1]
Paper	--		8.2	[2]	--		83.2	[1]
Packaging & Containers	12.0	[4]	--		99.9	[1]	--	
Furniture	7.7	[1]	8.9	[3]	--		17.2	[2]
Building Products & Materials	16.3	[1]	27.3	[1]	55.6	[1]	61.7	[3]
Household Goods	11.1	[3]	11.0	[2]	65.1	[2]	41.2	[3]
Printing & Publishing	--		15.3	[1]	42.9	[1]	--	
Chemicals, Paints & Coatings	14.1	[6]	22.7	[3]	30.0	[5]	33.6	[3]
Drugs, Medical Supplies & Equipment	20.1	[4]	20.8	[7]	22.3	[3]	35.5	[6]
Toiletries & Cosmetics	--		15.7	[1]	--		23.5	[1]
Plastics & Rubber	27.5	[2]	--		65.9	[2]	--	
Stone, Clay & Glass	14.9	[2]	11.6	[3]	40.3	[1]	82.0	[1]
Primary Metal Processing	10.5	[5]	--		14.5	[3]	--	
Fabricated Metal Products	11.4	[7]	14.9	[3]	36.7	[4]	54.5	[3]
Industrial & Farm Machinery & Equipment	11.6	[10]	12.4	[10]	53.2	[10]	49.5	[9]
Construction, Mining & Oil Field Machinery & Equipment	4.6	[2]	23.0	[1]	--		33.3	[1]
Valves, Pumps & Hydraulics	7.3	[2]	9.2	[1]	73.1	[1]	64.7	[1]
Autos & Trucks	--		--		3.0	[1]	--	
Automotive Products & Accessories	15.9	[1]	11.9	[1]	--		--	
Electrical Equipment	21.9	[6]	13.2	[2]	46.3	[4]	93.0	[1]
Office Equipment & Computer Hardware	35.7	[3]	12.7	[3]	41.0	[4]	39.0	[3]
Electronics	16.4	[10]	17.8	[5]	65.4	[6]	27.0	[4]
Aerospace, Aircraft & Defense	11.8	[1]	11.4	[2]	52.4	[1]	42.1	[2]
Instruments & Photographic Equipment	20.2	[5]	8.8	[3]	36.0	[4]	82.9	[2]
Toys & Recreational Products	--		8.2	[1]	--		42.7	[2]
Miscellaneous Manufacturing	9.1	[2]	--		17.5	[1]	68.7	[1]
Oil & Gas	15.9	[15]	19.4	[12]	40.8	[11]	36.4	[14]
Mining & Minerals	18.2	[6]	1.7	[1]	66.6	[5]	99.9	[1]
Transportation	17.1	[3]	8.2	[5]	54.4	[4]	66.8	[3]
Communications	11.5	[2]	31.3	[1]	14.5	[1]	52.9	[1]
Broadcasting	58.9	[2]	--		37.7	[2]	--	
Electrical, Gas, Water & Sanitary Services	20.0	[1]	13.0	[3]	--		68.2	[2]
Wholesale & Distribution	10.5	[10]	8.8	[4]	45.2	[5]	47.0	[2]
Retail	14.4	[11]	16.9	[11]	55.0	[14]	50.3	[12]
Banking & Finance	12.5	[24]	13.1	[22]	53.6	[14]	60.3	[22]
Insurance	14.0	[15]	13.4	[12]	40.4	[12]	53.0	[11]
Real Estate	19.2	[3]	18.7	[2]	63.3	[4]	17.1	[2]
Brokerage, Investment & Management Consulting Services	11.4	[5]	9.1	[3]	72.2	[4]	17.4	[2]
Computer Software, Supplies & Services	24.2	[5]	--		46.5	[3]	75.0	[2]
Construction Contractors & Engineering Services	66.2	[1]	11.0	[3]	57.2	[1]	8.7	[1]
Energy Services	12.6	[9]	7.6	[2]	99.9	[1]	86.5	[1]
Health Services	24.5	[8]	31.6	[3]	47.9	[5]	53.8	[3]
Leisure & Entertainment	19.7	[6]	17.5	[5]	35.7	[7]	37.9	[6]
Miscellaneous Services	12.7	[6]	11.9	[10]	45.6	[4]	32.2	[6]
Conglomerate	20.7	[4]	13.3	[10]	55.4	[4]	46.7	[10]
Total Averages	15.6	[230]	13.9	[193]	48.0	[166]	47.4	[176]

ANNUAL SALES OF ACQUIRED COMPANIES

Acquisitions of entire companies (non-divestitures) totalled 1,471, of which 559 disclosed the seller's most recent annual sales. In 1981, 651 out of 1,565 supplied sales figures.

DISTRIBUTION OF SELLERS BY SALES

1979 — 1982

	Percentage of Sellers Disclosing Sales			
Annual Sales Volume	**1979**	**1980**	**1981**	**1982**
$10 million or less	44%	41%	41%	39%
$10.1 — 50.0 million	29%	34%	36%	35%
$50.1 — 100.0 million	11%	10%	6%	9%
Over $100 million	16%	15%	17%	17%

Source: W. T. Grimm & Co.

Figure 47.

GEOGRAPHIC BREAKDOWN*

1982 RANKING OF STATES WITH RESPECT TO THE CONCENTRATION OF SELLERS

		Number of Sellers		Percent
		1981	1982	Change
(1)	California	148	130	- 12%
(2)	Texas	157	128	- 18%
(3)	New York	91	101	+ 11%
(4)	Florida	72	74	+ 3%
(5)	Illinois	55	65	+ 18%
(6)	Pennsylvania	27	61	+126%
(7)	New Jersey	40	56	+ 40%
(8)	Colorado	22	43	+ 95%
(9)	Massachusetts	40	33	- 18%
(9)	Michigan	36	33	- 8%
(11)	Georgia	38	31	- 18%
(11)	Ohio	62	31	- 50%
(11)	Virginia	26	31	+ 19%
(14)	Minnesota	17	24	+ 41%
(15)	Oklahoma	32	23	- 28%
(16)	Connecticut	26	22	- 15%
(16)	Missouri	34	22	- 35%
(18)	Wisconsin	22	20	- 9%
(19)	Indiana	15	19	+ 27%
(20)	Alabama	13	18	+ 38%
(20)	Iowa	14	18	+ 29%
(20)	Maryland	16	18	+ 13%
(23)	Tennessee	16	17	+ 6%
(24)	Kentucky	15	15	--
(24)	Washington	13	15	+ 15%
(26)	North Carolina	17	14	- 18%
(27)	Louisiana	24	13	- 46%
(28)	Arizona	10	11	+ 10%
(28)	Mississippi	9	11	+ 22%
(30)	Kansas	12	10	- 17%
(30)	South Carolina	7	10	+ 43%
(32)	New Hampshire	9	9	--
(32)	New Mexico	3	9	+200%
(34)	Utah	7	8	+ 14%
(35)	Nevada	4	7	+ 75%
(35)	Oregon	11	7	- 36%
(35)	Wyoming	5	7	+ 40%
(38)	Maine	5	5	--
(38)	South Dakota	--	5	--
(40)	District of Columbia	5	4	- 20%
(40)	Montana	3	4	+ 33%
(42)	Hawaii	1	3	+200%
(42)	Nebraska	7	3	- 57%
(42)	Rhode Island	6	3	- 50%
(45)	Arkansas	4	2	- 50%
(46)	Alaska	4	1	- 75%
(47)	Idaho	2	1	- 50%
(48)	Vermont	2	1	- 50%
(49)	West Virginia	10	1	- 90%
(50)	Delaware	3	--	--
(51)	North Dakota	2	--	--

Source: W. T. Grimm & Co.

Figure 48.

Among the fifty states and the District of Columbia, 23 had an increase in the number of sellers, while 22 had fewer sellers than the year before. Three states remained unchanged; South Dakota had no sellers during 1981, yet had 5 in 1982; both Delaware and North Dakota had no sellers during 1982.

The decline in acquisition activity within energy related industries affected states such as Texas, Oklahoma and Louisiana. New laws permitting intrastate bank acquisitions and mergers resulted in more activity for Illinois and Pennsylvania.

**Pertains to the 1,471 non-divestitures of 1982.*

1982 RANKING OF STATES WITH RESPECT TO THE CONCENTRATION OF BUYERS

		Number of Buyers		Percent
		1981	1982	Change
(1)	New York	176	168	- 5%
(2)	California	127	120	- 6%
(3)	Illinois	79	110	+ 39%
(4)	Texas	146	109	- 25%
(5)	New Jersey	29	59	+103%
(6)	Pennsylvania	58	57	- 2%
(7)	Minnesota	32	52	+ 63%
(8)	Ohio	61	50	- 18%
(9)	Georgia	22	47	+114%
(10)	Florida	52	44	- 15%
(11)	Connecticut	48	39	- 19%
(12)	Virginia	28	33	+ 18%
(13)	Michigan	38	32	- 16%
(14)	Massachusetts	36	29	- 19%
(15)	Colorado	16	28	+ 75%
(16)	Missouri	26	27	+ 4%
(17)	Wisconsin	18	19	+ 6%
(18)	Indiana	9	18	+100%
(19)	Oklahoma	15	17	+ 13%
(20)	Maryland	10	16	+ 60%
(21)	Iowa	9	15	+ 67%
(22)	North Carolina	12	13	+ 8%
(23)	Alabama	8	12	+ 50%
(23)	Tennessee	9	12	+ 33%
(25)	Mississippi	4	11	+175%
(25)	Washington	10	11	+ 10%
(27)	Kansas	1	9	+800%
(28)	Arizona	4	8	+100%
(28)	South Carolina	3	8	+167%
(30)	District of Columbia	6	6	--
(30)	New Mexico	1	6	+500%
(32)	Kentucky	11	5	- 55%
(33)	Hawaii	2	4	+100%
(33)	Louisiana	8	4	- 50%
(33)	Nebraska	3	4	+ 33%
(33)	Nevada	1	4	+300%
(33)	New Hampshire	3	4	+ 33%
(33)	Oregon	9	4	- 56%
(33)	Utah	1	4	+300%
(33)	Wyoming	--	4	--
(41)	Arkansas	3	3	--
(41)	Montana	--	3	--
(41)	Rhode Island	2	3	+ 50%
(41)	South Dakota	--	3	--
(45)	Delaware	3	2	- 33%
(45)	Maine	2	2	--
(47)	Alaska	--	1	--
(48)	Vermont	1	1	--
(49)	West Virginia	1	1	--
(50)	Idaho	3	--	--
(51)	North Dakota	--	--	--

Source: W. T. Grimm & Co.

Figure 49.

REGIONAL* BREAKDOWN
1982

	SELLERS				BUYERS		
	Number of Sellers		Percent		Number of Buyers		Percent
Region	1981	1982	Change	Region	1981	1982	Change
Middle Atlantic	233	287	+23%	Middle Atlantic	322	347	+ 8%
Midwest	276	250	- 9%	Midwest	276	339	+ 23%
Southwest	194	208	+ 7%	Southwest	150	170	+ 13%
Southeast	172	175	+ 2%	Southeast	110	147	+ 34%
South Central	217	166	- 24%	South Central	172	133	- 23%
New England	88	73	- 17%	New England	92	78	- 15%
Northwest	34	34	--	Northwest	22	22	--
Alaska & Hawaii	4	5	- 20%	Alaska & Hawaii	5	2	+150%

*Northwest: Washington, Oregon, Idaho, Montana, Wyoming.
Southwest: California, Nevada, Utah, Colorado, Arizona, New Mexico.
South Central: Texas, Oklahoma, Arkansas, Louisiana.
Southeast: Florida, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Tennessee.
Midwest: North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa,, Missouri, Wisconsin, Illinois, Michigan, Indiana, Ohio.
Middle Atlantic: New York, Pennsylvania, New Jersey, Delaware, Maryland, West Virginia, Virginia, Washington, D. C., Kentucky.
New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

Source: W. T. Grimm & Co.

Figure 50.

CONTINGENT PAYOUTS

Acquisitions utilizing contingent payouts during 1982 numbered 51, compared with 52 in 1981. Contingent payouts are supplementary payments based on the future earnings of the acquired concern. They are used to overcome the difficulty in determining the present value or future growth rate of a selling company. Thus, the contingent provision serves as (1) a protection for the buyer against overvaluation of the seller, and (2) an incentive for the seller's management to remain.

CONTINGENT PAYOUTS
1978 — 1982

1978	25
1979	9
1980	33
1981	52
1982	51

Source: W. T. Grimm & Co.

Figure 51.

The majority of acquired companies in such transactions are small privately held concerns and/or service oriented establishments.

CANCELLATIONS

There were 189 terminated transactions for 1982 which represented 7% of gross merger announcements. This compared with 163 or 6% in 1981. The twenty largest cancellations are catalogued in Figure 52. Where available, the reason for each termination is also provided.

TWENTY LARGEST CANCELLATIONS
1982

Buyer/ Seller	Approximated Value (millions)	Reason for Cancellation
Gulf Oil Corp. Cities Service Co.	$4,892.1	Gulf abruptly ended offer; Gulf cited antitrust problems.
NLT Corp. American General Corp.	1,399.3	NLT withdrew tender offer and agreed to be acquired by American General.
United Technologies Corp. Bendix Corp.	1,246.9	United withdrew; no shares tendered; shares tendered to Martin Marietta.
Cities Service Co. Mesa Petroleum Co. (51%)	629.0	Cities withdrew; Gulf had agreed to acquire Cities.
Mesa Petroleum Co. Cities Service Co. (additional 15%)	554.5	Mesa withdrew; Gulf had agreed to acquire Cities.
Warner Communications, Inc. Madison Fund, Inc.	409.2	Warner dropped offer due to the plunge in Warner's stock.
Private Group Kaiser Steel Corp.	394.5	Group withdrew after Kaiser's $529 million fourth quarter write-down.
Whittaker Corp. Brunswick Corp. (49%)	280.8	Whittaker withdrew after Brunswick sold Sherwood Medical to American Home Products.
Kerr-McGee Corp. Fluor Corp. (Coquina Oil Corp.)	265.0	No reason given.
Penn Central Corp. Cooper Manufacturing Corp.	250.0	Penn dropped offer; cited conditions in the petroleum industry.
Browning-Ferris Industries, Inc. SCA Services, Inc.	229.2	Browning dropped offer; no reason given.
C. Schmidt & Sons, Inc. Pabst Brewing Co.	208.7	Pabst rejected offer.
Private Group — led by Irwin Jacobs Pabst Brewing Co.	196.5	Jacobs withdrew; Pabst agreed to be acquired by G. Heileman Brewing.
Olympia Brewing Co. Pabst Brewing Co.	175.3	Olympia terminated offer; bankers not comfortable with financing arrangements.
Norcen Energy Resources Ltd. — Canada Hanna Mining Co. (additional 43%)	171.0	Norcen ended offer under a pact for a 20% stake and 3 board seats.
Koch Industries, Inc. Tosco Corp. (oil refinery in Bakersfield, Calif.)	150.0	Could not agree on terms.
Supermarkets General Corp. Pantry Pride, Inc.	130.0	No reason given.
SKZ Holdings, Inc. Amalgamated Sugar Co.	121.4	Amalgamated to be acquired by National City Lines.
Private Group Guilford Mills, Inc.	112.2	Group terminated offer due to uncertain business conditions in textile industry.
MacAndrews & Forbes Group, Inc. Gulf & Western Industries, Inc. (Consolidated Cigar Co.)	105.0	No reason given.

Source: W. T. Grimm & Co.

Figure 52.

TWENTY YEAR STATISTICAL REVIEW

		1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Net M & A Announcements		1,361	1,950	2,125	2,377	2,975	4,462	6,107	5,152	4,608	4,801
Total Dollar Value Paid *(billions of dollars)*		*	*	*	*	*	43.0	23.7	16.4	12.6	16.7
Method of Payment	Cash	*	64%	67%	61%	36%	29%	32%	32%	34%	35%
	Stock	*	26%	29%	35%	60%	62%	57%	52%	49%	51%
	Combination	*	4%	4%	4%	4%	9%	11%	16%	17%	14%
	Debt	#	#	#	#	#	#	#	#	#	#
Divestitures		*	*	191	264	328	557	801	1,401	1,920	1,770
Acquisitions of Publicly Traded Sellers		*	*	*	*	*	*	*	*	*	*
Acquisitions of Privately Held Sellers		*	*	*	*	*	*	*	*	*	*
Total Foreign Sellers		*	*	*	*	*	*	*	*	*	531
Total Foreign Buyers		*	*	*	*	*	*	*	*	*	88
Average P/E Paid		*	20.7	19.4	16.5	17.6	24.6	21.0	23.1	24.3	21.4
Average Premium Paid Over Market		*	*	*	*	*	25.0	25.0	33.4	33.1	33.8
Cancelled Transactions		*	*	*	*	*	*	*	527	332	315

**Item not tracked during that year.*

#A separate count for debt payments began in 1974.

TWENTY YEAR STATISTICAL REVIEW (continued)

		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Net M & A Announcements		4,040	2,861	2,297	2,276	2,224	2,106	2,128	1,889	2,395	2,346
Total Dollar Value Paid *(billions of dollars)*		16.7	12.5	11.8	20.0	21.9	34.2	43.5	44.3	82.6	53.8
Method of Payment	Cash	42%	48%	48%	52%	54%	46%	53%	47%	42%	37%
	Stock	44%	33%	27%	26%	26%	30%	26%	31%	34%	29%
	Combination	14%	16%	23%	20%	18%	23%	20%	21%	23%	31%
	Debt	#	3%	2%	2%	2%	1%	1%	1%	1%	2%
Divestitures		1,557	1,331	1,236	1,204	1,002	820	752	666	830	875
Acquisitions of Publicly Traded Sellers		*	68	130	163	193	260	248	173	168	180
Acquisitions of Privately Held Sellers		*	*	*	856	971	969	1,049	988	1,330	1,222
Total Foreign Sellers		323	257	178	126	112	98	119	102	101	121
Total Foreign Buyers		143	173	184	178	162	199	236	187	234	154
Average P/E Paid		18.9	13.5	13.3	15.1	13.8	14.3	14.3	15.2	15.6	13.9
Average Premium Paid Over Market		44.5	50.1	41.4	40.4	40.9	46.2	49.9	49.9	48.0	47.4
Cancelled Transactions		324	308	267	177	150	171	219	178	163	189

**Item not tracked during that year.*

#A separate count for debt payments began in 1974.

THE WTG RECORD HOLDERS

Item	Record	Year Attained
Net Merger & Acquisition Announcements	6,107	1969
Total Dollar Value Paid	$82.6 billion	1981
Cash Payments	67%	1965
Stock Payments	62%	1968
Combination Payments	31%	1982
Acquisitions of Publicly Traded Sellers	260	1978
Acquisitions of Privately Held Sellers	1,330	1981
Foreign Sellers	531	1972
Foreign Buyers	236	1979
Average P/E Paid	24.6X	1968
Average Premium Paid Over Market	50.1%	1974

FULL YEAR — 1982

Industry Classification of Seller	Net Announcements	VALUATION OF TRANSACTIONS						METHOD OF PAYMENT				Divestitures	Number Foreign Buyers
		Price Paid (Millions)	Base	Price/Earnings Paid	Base	Percent Premium Paid	Base	Cash	Stock	Combination	Debt		
Agricultural Production	8	$ 235.6	3	10.0X	2	33.0%	2	2	--	1	--	2	1
Food Processing	52	3,075.2	23	12.3	13	46.8	9	12	--	6	1	27	4
Beverages	31	1,880.9	14	10.4	4	51.6	7	8	1	3	1	14	7
Apparel	17	230.8	8	8.2	3	1.4	1	3	--	4	--	9	2
Textiles	17	792.2	9	11.1	6	34.5	6	9	1	1	--	7	1
Timber & Forest Products	5	499.8	2	10.9	1	23.0	1	1	--	1	--	2	1
Paper	15	595.4	7	8.2	2	83.2	1	2	2	4	--	10	--
Packaging & Containers	16	171.8	6	--	--	--	--	3	1	1	--	10	2
Furniture	13	39.8	4	8.9	3	17.2	2	1	3	1	--	4	1
Building Products & Materials	27	75.2	8	27.3	1	61.7	3	1	3	6	--	16	--
Household Goods	22	390.6	4	11.0	2	41.2	3	2	--	3	--	16	3
Printing & Publishing	48	129.4	8	15.3	1	--	--	7	2	3	--	31	5
Chemicals, Paints & Coatings	55	1,011.5	17	22.7	3	33.6	3	12	3	3	--	29	9
Drugs, Medical Supplies & Equipment	58	1,915.1	23	20.8	7	35.5	6	13	15	6	1	24	4
Toiletries & Cosmetics	9	203.2	3	15.7	1	23.5	1	3	--	1	--	6	1
Plastics & Rubber	27	48.5	6	--	--	--	--	8	1	5	--	19	4
Stone, Clay & Glass	17	463.8	9	11.6	3	82.0	1	4	--	3	--	8	2
Primary Metal Processing	25	167.4	9	--	--	--	--	2	--	6	--	15	3
Fabricated Metal Products	37	299.3	13	14.9	3	54.5	3	10	--	7	--	17	--
Industrial & Farm Machinery/Equipment	90	1,485.6	37	12.4	10	49.5	9	20	7	19	--	62	7
Construction, Mining & Oil Field Machinery/Equipment	19	190.9	5	23.0	1	33.3	1	3	--	8	--	8	1
Valves, Pumps & Hydraulics	10	65.9	4	9.2	1	64.7	1	2	1	2	--	5	1
Autos & Trucks	6	61.3	4	--	--	--	--	1	--	1	1	2	--
Automotive Products & Accessories	22	109.4	4	11.9	1	--	--	6	--	1	--	20	4
Electrical Equipment	49	603.7	15	13.2	2	93.0	1	11	2	4	--	28	3
Office Equipment & Computer Hardware	26	389.1	16	12.7	3	39.0	3	5	10	1	--	11	3

(Continued on following page)

FULL YEAR — 1982 (continued)

Industry Classification of Seller	Net Announcements	VALUATION OF TRANSACTIONS						METHOD OF PAYMENT				Divestitures	Number Foreign Buyers
		Price Paid (Millions)	Base	Price/Earnings Paid	Base	Percent Premium Paid	Base	Cash	Stock	Combination	Debt		
Electronics	63	$ 552.9	21	17.8X	5	27.0%	4	6	15	5	1	24	4
Aerospace, Aircraft & Defense	15	1,577.1	8	11.4	2	42.1	2	3	1	--	--	8	2
Instruments & Photographic Equipment	51	80.1	14	8.8	3	82.9	2	10	11	4	--	19	4
Toys & Recreational Products	33	203.4	7	8.2	1	42.7	2	5	4	2	1	16	--
Miscellaneous Manufacturing	41	271.4	13	--	--	68.7	1	8	5	6	1	14	--
Oil & Gas	80	9,165.5	45	19.4	12	36.4	14	16	31	17	--	21	7
Mining & Minerals	31	355.2	15	1.7	1	99.9	1	6	6	5	--	15	5
Transportation	40	1,074.4	22	8.2	5	66.8	3	8	7	7	--	18	3
Communications	42	929.6	13	31.3	1	52.9	1	4	6	5	--	14	3
Broadcasting	47	787.2	27	--	--	--	--	5	1	6	--	32	--
Electrical, Gas, Water & Sanitary Services	12	751.1	7	13.0	3	68.2	2	1	4	4	--	3	2
Wholesale & Distribution	124	358.1	31	8.8	4	47.0	2	16	20	18	1	35	9
Retail	86	1,948.1	35	16.9	11	50.3	12	17	5	14	3	35	5
Banking & Finance	426	5,605.3	193	13.1	22	60.3	22	60	87	51	8	61	10
Insurance	81	5,717.8	43	13.4	12	53.0	11	18	7	14	--	29	8
Real Estate	30	303.4	11	18.7	2	17.1	2	4	4	5	--	6	--
Brokerage, Investment & Management Consulting Services	56	860.9	18	9.1	3	17.4	2	6	7	10	1	11	4
Computer Software, Supplies & Services	75	195.5	27	--	-	75.0	2	11	8	9	1	22	1
Construction Contractors & Engineering Services	34	256.0	8	11.0	3	8.7	1	4	4	4	--	11	3
Energy Services	32	665.2	15	7.6	2	86.5	1	1	9	10	--	4	--
Health Services	44	1,049.4	24	31.6	3	53.8	3	6	7	12	1	14	4
Leisure & Entertainment	42	1,082.1	21	17.5	5	37.9	6	9	2	9	1	20	2
Miscellaneous Services	126	859.8	39	11.9	10	32.2	6	21	11	18	--	40	7
Conglomerate	14	3,973.6	12	13.3	10	46.7	10	9	3	2	--	1	2
Totals	2,346	$53,754.5	930	13.9	193	47.4	176	405	317	338	23	875	154

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